

R. H. Wesley
AGREEMENT

between

Toledo Assembly Plant
DAIMLERCHRYSLER
CORPORATION

and

Jeep Unit
Local 12



International Union, United Automobile,
Aerospace and Agricultural Implement
Workers of America (UAW)

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AGREEMENT

Paragraph 1—Agreement

- (1) This agreement, made and concluded at Toledo, Lucas County, State of Ohio, this **29th day of December, 2003**, by and between Toledo Assembly Plant of DAIMLER-CHRYSLER CORPORATION, doing business in the County of Lucas, State of Ohio, and/or its successors, assignees, or receivers, party of the first part, hereinafter called "the Company", and the employees of said Company who are members of the International Union United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 12 (Jeep Unit) thereof, party of the second part, hereinafter called "the Union".
- (2) The parties of this Agreement recognize that they are engaged in a common endeavor in which each of them has separate and distinct responsibilities. However, each party holds the same basic interests and vital concern for the success of the business; which necessitates both management and the employees working together to the end that the quality and cost of the product will prove increasingly satisfactory and attractive to the consumer. In consideration of the mutual interest and concern for the continued success of the Company, the parties have together established this Agreement to secure a closer and more harmonious relationship between themselves.

Paragraph 2—Paragraphs Identification

- (3) The parties of this agreement concur that the titles and subtitles to the various articles and paragraphs of this agreement are for the sole purpose of identification and shall not be used to interpret the provisions they identify.

ARTICLE I RECOGNITION

Paragraph 1—Union Recognition

- (4) The Company recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 12 (Jeep Unit), as the sole and exclusive representative of its employees, who work in the Toledo area, in classifications that are included in the Collective Bargaining Unit.

Paragraph 2—Bargaining Unit—Exclusions

- (5) All employees who come under the jurisdiction of this contract shall be members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, Local No. 12 (Jeep Unit), excepting those employees who have been excluded by decision of the National Union Relations Board, for the purpose of Collective bargaining, and further excepting all supervision.

Paragraph 3—Equal Application of Agreement

- (6) It is the policy of Chrysler Corporation's Toledo Assembly Plant and the UAW Local 12 Jeep Unit that the provisions of this Agreement be applied to all employees covered by this Agreement without discrimination because of race, color, religion, age, national origin, status as a qualified person with a disability, sex, including sexual harassment and membership in any other legally protected class.
- (7) In order to assure full knowledge and understanding of the foregoing principle on the part of employees and all agents and representatives of the Corporation and the Union, the parties hereby incorporate the same in this agreement. Any employee who claims that, in violation of said principle, he has been denied rights guaranteed by this Agreement may complain as provided in the grievance procedure. Any such

claim when presented in writing, pursuant to the First Level of the grievance procedure, must contain a full statement of the facts giving rise to the claim and the reasons why the employee believes he has been discriminated against. If appealed to Third Level, Jeep Unit Chairman, before deciding whether to take the grievance up with the Union Relations Supervisor or his designated representative, may refer the claim to the Chairman of the Civil Rights Committee of the Local Union for a factual investigation and report. The member of the Civil Rights Committee designated by the Chairman to investigate the claim shall not receive pay from the Corporation for time spent on such activity.

- (8) The grievance and arbitration procedure shall be the exclusive contractual procedure for remedying such claims.

ARTICLE II UNION SHOP-DUES DEDUCTION

Paragraph 1—Requirement of Union Membership

- (9) Employees covered by this Agreement at the time it becomes effective and who are members of the Union at that time shall be required as a condition of continued employment to continue membership in the Union for the duration of this Agreement. Employees covered by this Agreement who are not members of the Union at the time this Agreement becomes effective shall be required as a condition of continued employment to become members of the Union within thirty (30) days of work from the date of their employment. All employees hired hereafter shall become members of the Union within thirty (30) days of work from the date of their employment.

Paragraph 2— Discharge For Failure to Tender Dues, Initiation or Reinstatement Fees

- (10) Any employee whose membership is terminated by the Union by reason of his failure to tender dues, initiation or reinstatement fees required as a condition of acquiring or retaining membership shall not be retained in the bargaining unit. Written notice to the Company by the Union of an employee's non-compliance shall be required before the Company shall be required to discharge an employee for such reason.

Paragraph 3—Dues Checkoff: Authorization: Revocation

- (11) The Company agrees to deduct the monthly dues of employees subject to the Agreement, to the extent that such employees have executed the following assignment, authorization and direction:

CHECK-OFF OF DUES

TO: Toledo Assembly Plant
Of Chrysler Corporation

Date

I hereby assign to Local Union No. 12, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) from any wages earned by me as your employee (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No. 12 may certify as due and owing from me as membership dues, and /or initiation or reinstatement fees and monthly dues in such sum as may be established from time to time by said Local Union in accordance with the Constitution of the International Union, UAW. I authorize and direct you to deduct such amounts from my pay and/or regular S.U.B. Benefit while on layoff and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective bargaining agreement between the Company and the Union which is in force at the time of delivery of this authorization whichever occurs sooner; and I further agree and direct that this agreement, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective bargaining agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union not more than twenty (20) days and not less than one (1) day prior to the expiration of such period of one (1) year, or of each applicable collective bargaining agreement between the Company and the Union whichever occurs sooner.

- (12) This authorization is made pursuant to the provisions of Section 302(c) of the Union Management Relations Act of 1947, and otherwise as amended as permitted by state law.

Paragraph 4—Pay Periods in Which Deductions To be Made

- (13) All deductions made in accordance with Paragraph 3 hereof, will be made from the first pay period of each month after the employee has worked forty (40) hours or more in that month. Whenever an employee does not have a sufficient amount earned to cover the full deduction, the Company will make a deduction from the following pay period or from regular S.U.B. benefits if on layoff.

Paragraph 5—Remittance of Dues-Records Furnished Union

- (14) Any money deducted will be transmitted by check payable to "Local No. 12 UAW" within the first two weeks of the month following the month in which the deduction is made.

(15) Accompanying the check will be a list by permanent clock card number of all the employees covered by this agreement, with the social security number listed after the name. This list must contain the following information after each name: (it may be coded in any way that is easiest to handle).

- a. The amount of the deduction (1 month or more)
 - b. Application and initiation fees (Separate from dues)
 - c. Laid off and date
 - d. Personal Leave and date
 - e. Sick Leave and date
 - f. Military Leave and date
 - g. Discharged and date and reason
 - h. Deceased and date
 - i. Promoted to excluded occupation and date
 - j. Vacation and date
 - k. Resigned (quit) and date
 - l. Pension and date
 - m. No signed deduction authorization from employee
- (16) A copy of this list shall be furnished to the Chairman of the Executive Committee of the Union.
- (17) Should any question arise as to the information set forth on the aforesaid list, the Company agrees to exhibit the working records of any employee to the duly accredited representatives of the Union.

ARTICLE III RIGHTS RESERVED TO MANAGEMENT

Paragraph 1—Management Rights

(18) The right to hire, discharge, discipline, prorate, to maintain order and efficiency, to decide the number and location of plants, the machine and tool equipment, the products to be manufactured, the method of manufacture, schedules of production, the processes of manufacturing or assembling together with all designs, engineering and the control of raw material, semi-manufactured and finished parts, which may be incorporated into the products manufactured, shall be the responsibility of the management, providing it is not in conflict with any paragraph of this Agreement.

ARTICLE IV REPRESENTATION

Paragraph 1—Recognition of Union Representatives

(19) The Company agrees to negotiate with accredited representatives of the Union, selected in a manner determined by the employees, for the purpose of resolving any dispute which may arise concerning rates of pay, hours, working conditions, dismissals, seniority rights or alleged discriminations; or for the settlement of disputes or grievances which may arise during the term of this agreement.

Paragraph 2—Number of Districts

(20) It is mutually agreed that the principle of proportional representation which reflects increases and decreases in the work force is a sound and sensible basis for implementing the representation sections of this Agreement.

- (21) The ratio of Stewards to employees shall not exceed 1 to 225 and the number of Stewards shall be as set forth in the table below:

Number of Employees	Number of On Active Roll Stewards
1— 337	1
338— 563	2
564— 789	3
790—1015	4
1016—1241	5
1242—1467	6
1468—1693	7
1694—1919	8
1920—2145	9
2146—2371	10
2372—2597	11
2598—2823	12
2824—3049	13
3050—3275	14
3276—3501	15
3502—3727	16
3728—3953	17
3954—4179	18
4180—4405	19
4406—4631	20
4632—4857	21

- (22) Each Steward shall be assigned to a district. The departments or parts thereof which will constitute districts in the plant will be determined by mutual agreement between the Company and the Union. When a district consists of more than one department, such departments will be physically located adjacent to one another insofar as reasonably practicable.

- (23) Redistricting shall be accomplished in the following manner and at the following times: (I) within five (5) working days after the end of the month of April, August and December, the Union will be provided with the average number of employees on the active roll in the plant during each such month. This number shall be the basis on which the appropriate number of districts shall be effective with the first pay period in the month following the month (i.e., June, October, February) in which the number of districts is determined in accordance with (I) above the redistricting and the determination of the Union representatives shall be accomplished prior to the adjustment date.
- (24) The plant may be redistricted in accordance with subparagraph (22) above from time to time upon the written request of either the Company or the Union. The parties may agree to establish a flexible districting plan to predetermine the districts to be eliminated or added consistent with ratios at various employment levels of the plant.
- (25) When unusual circumstances arise and such circumstances result in the number of employees on active roll that would require an increase or decrease of two (2) or more districts, the parties shall make adjustments in the districts concurrent with such changes in accordance with subparagraphs (21) and (22) of this Agreement. If the parties are unable to reach agreement, the matter shall immediately be referred to Corporate Union Relations and the International Union for resolution.

Paragraph 3—Stewards

- (26) In each district, employees in the district shall be represented by one Steward for each shift who shall be a regular employee having seniority and working in the district.
- (27) It is understood and agreed that each Steward has full time work to perform in the plant. It is understood and agreed that the Steward will not leave his district during

working hours. The Supervisor will grant permission to the Steward to leave his work for the purpose of presenting grievances. The Supervisor also will grant permission to the Steward to leave his work if the Steward advises his Supervisor that a grievance or grievances have been referred to him by one or more of his constituents which require investigation before the grievance or grievances can be properly presented. In such case, the Steward shall advise the Supervisor of the number and nature of grievances he wishes permission to investigate, and after investigating such grievances shall advise the Supervisor of those grievances he disposed of and present the remaining grievances to the Supervisor.

- (28) If the Steward goes into a department other than the one in which he works to investigate grievances, he will advise the Supervisor in the department of his presence and the number and nature of the grievances he wishes to investigate. After investigating the grievance, the Steward shall advise the Supervisor or the designated representative of management, the number and nature of the grievances that he disposed of and present the remaining grievances.
- (29) If it is necessary for a Steward to speak to an employee about a grievance, he will make arrangements with the employee's Supervisor to do so.
- (30) Stewards during their working hours, without loss of time or pay, may in accordance with the terms of this Section, perform their duties of conferring with Supervision or other designated representatives of the plant management and of investigating grievances. The privilege of Stewards to leave their work during working hours without loss of pay is subject to the understanding that the time will be devoted to the prompt handling of legitimate grievances and will not be abused and the Stewards will do the work to which they are assigned at all times except when necessary to leave their work to handle grievances as provided herein.

- (31) During overtime periods or weekend work the Steward shall be scheduled to work as long as there is work scheduled in his district he can do and any of his respective constituents are working; and will investigate and present only grievances that arise during that overtime period or weekend work.

Paragraph 4—Executive Committeemen

- (32) The Executive Committee of the Union shall consist of six (6) members, each of whom shall be an employee of the plant having seniority or a regular employee of the plant having seniority who is on leave of absence. One (1) member of the Committee may be designated by the Union as Chairman, in which case the Company will be so notified, and one (1) member of the Committee shall be an employee on a skilled worker's classification job.
- (33) It is understood and agreed that each member of the Executive Committee of the Union who is a regular employee of the plant has work to perform in the plant, and that he will not leave his work without first notifying his Supervisor and shall report to his Supervisor on his return.
- (34) Members of the Executive Committee, by agreement between the Company and the Executive Committee may have assigned to them certain districts in the plant and on proper occasions may go into those districts, but not into other districts of the plant assigned to other Executive Committeemen.
- (35) The Supervisor will grant permission to an Executive Committeeman to leave his work for the purpose of attending regular or special conferences with the Supervisor of Union Relations.

- (36) The Supervisor will also grant permission to Stewards to communicate by telephone on an unsettled grievance with the Executive Committeeman assigned to their districts and also will grant permission to an Executive Committeeman (1) to leave his work to confer on grievances with Stewards in the districts of the plant assigned to that Executive Committeeman when the Executive Committeeman has been requested to do so by the Steward, and (2) to present grievances to the Superintendent or other management representative designated to receive them from the Executive Committeeman in his district. Executive Committeemen may perform their regular grievance procedure duties during working hours without loss of time or pay.
- (37) During overtime periods or weekend work, the Executive Committeeman shall be scheduled to work as long as there is work scheduled in his district he can do and as long as his respective constituents are working; and will investigate and present only grievances that arise during the overtime period or weekend work.

Paragraph 5—Abuse of the Procedure

- (38) The Company may present to the Chairman of the Executive Committee as grievances any abuses of the grievance procedure by the Union, its Stewards, Executive Committeemen, or other representatives of members of the Union. If the Company is dissatisfied with the disposition of the grievance made by the Union, it may take the grievance up with the International Union.
- (39) The Union may present to the Supervisor of Union Relations as grievances any abuses of the grievance procedure by the Company or its representatives. An appeal in accordance with the grievance procedure may be taken by the Union if it is dissatisfied with the Supervisor of Union Relations' decision.
- (40) Such grievances by either the Company or the Union shall be presented in writing.

Paragraph 6—Conduct of Union Representatives

- (41) Union representatives employed in the plant are subject to the same discipline as any other employee in the plant for violation of shop rules.

Paragraph 7—Regular Conferences

- (42) Regular conferences shall take place between the Executive Committee of the Union and the Human Resource Manager on one day, Tuesday, of each week. An agenda of the matters to be taken up at the meeting shall be delivered to the Supervisor of Union Relations by the Executive Committee on the Monday morning preceding the meeting.
- (43) Members of the Executive Committee of the Union shall receive pay from the company at their regular hourly rates for time spent in such regular conferences. If the Supervisor of Union Relations agrees to a meeting or the continuation of a meeting during overtime hours, each member of the Executive committee shall receive pay from the Company at the appropriate overtime rate for the overtime he spends in such meeting.
- (44) The Executive Committee may meet at a place designated by the Company on company property of one-half (1/2) hour immediately preceding a meeting with the Supervisor of Union Relations, for which meeting an agenda has been filed with the Supervisor of Union Relations by the Executive Committee.

Paragraph 8—Special Conferences

- (45) Special conferences for important matters may be arranged between representative of the Union and the Supervisor of Union Relations, or the Plant Manager or his designated representatives. The Union representatives

at such special conferences shall be limited to members of the Executive Committee. Upon request, the Regional Director of the Union for the area, or his regular representative, may also attend. Arrangements for such special conferences shall be made in advance with the Supervisor of Union Relations, or the Plant Manager or his designated representative, by the Chairman of the Executive Committee, and an agenda of the matters to be taken up at the meeting shall be presented at the time the conference is requested. Matters taken up in special conferences shall be confined to those included in the agenda.

- (46) Union representatives as specified in subparagraph (45) above if working in the plant shall receive pay from the Company at their regular hourly rates for the time spent in such special conferences, provided they would otherwise have worked in the plant during the time spent in such conferences
- (47) Upon the request of the Director, National Department of the International Union, the Manager of Union Relations of the Corporation will make arrangements for a representative of the National Department of the International Union to attend such special conferences.

ARTICLE V GRIEVANCE PROCEDURE

Paragraph 1—Parties Commitment to Procedure

- (48) It is mutually agreed that the prompt adjustment of grievances is desirable in the interest of sound relations between the employees and the Company. Accordingly, grievances shall be settled through the Grievance Procedure set forth herein. No employee or employees shall discontinue work or in any manner disrupt the normal operations of the Company while a grievance is being processed through this procedure.

Paragraph 2—Definition of a Grievance

(49) As used in this Agreement, the term "grievance" shall mean any misunderstanding, difference, or dispute between the Company and the Union, or one or more of the employees represented by the Union arising out of this Agreement, or any supplemental agreements thereto, concerning or relating to the interpretation and application thereof and filed subsequent to the effective date of this Agreement.

- (50) The Union agrees that it will discourage its members from bypassing the grievance procedure and arbitration procedures with respect to any claim or complaint which may be made the subject of a grievance under the contract.
- (51) The Executive Committee or Union Representative may write and sign a grievance in behalf of any employee or group of employees. If a space provided on the grievance form is not applicable to the participants in the first or second level the grievance may be referred by the Executive Committee directly to the third level.

Paragraph 3—Time Limits on Claims

- (52) When any grievance or complaint affecting the financial status of an employee has resulted in a decision in favor of the employee, such settlement shall be retroactive to the date of the occurrence of the injustice, but not more than **one-hundred twenty (120) days** prior to the date the grievance was first brought to the attention of the Company. When a grievance is settled and monies are owed, the employee will receive such monies within thirty (30) days.
- (53) Where it appears from all circumstances surrounding the case that the employee had no knowledge of the existence of a grievance, the Company and the Union will mutually agree on what retroactivity should be applied.
- (54) The Executive Committee or the employee may withdraw the grievance at any level.

Paragraph 4—Steps of Procedure

This grievance procedure is divided in five (5) levels.

- (55) First Level: An employee having a grievance or one designated employee of a group of employees having a grievance will take up and discuss and attempt to settle the grievance with the steward and the Supervisor. The Supervisor will give full and fair consideration to the grievance as promptly as circumstances allow and he shall render a fair and just decision by the end of the working day following the day on which the grievance was brought to his attention.
- (56) Second Level: If a satisfactory settlement is not reached in the First Level, the grievance will be reduced to writing by the Steward and must indicate what relief is requested in the instant case on a form provided by the Company, and signed by the employee involved. The Supervisor shall state on the grievance form his answer to the employee's grievance and his position with regard thereto and shall then sign the grievance. The grievance shall then be referred to the Executive Committeeman and the Area Manager of the division. The Executive committeeman and the Area Manager of the division shall meet at the end of the working day following the day on which the grievance was brought to their attention to discuss the grievance and make every effort to settle the matter. The Area Manager shall state on the grievance form his answer to the employee's grievance and his position with regard thereto and shall then sign the grievance. If the answer is not satisfactory, then the matter shall be promptly referred to the Chairman of the Unit and the Union Relations Supervisor for further handling in the Third Level.
- (57) Third Level: Grievances that have not been settled in the Second Level of this procedure shall be referred by the Executive Committee to the Chairman of the Unit. It shall be the responsibility of the Union to prepare and publish an agenda of these unsettled grievances. A copy of the grievances shall be delivered to the Labor Relations office at least seven (7) days prior to being discussed unless mutually agreed to discuss sooner.
- (58) There shall be a weekly Third Level grievance meeting held at such place, day and time as may be designated by the Union Relations Supervisor and the Chairman of the Executive Committee for the purpose of reviewing and settling Third Level grievances. The Chairman of the Unit shall represent the Union, and he shall be assisted by the Executive Committeeman and/or steward of the area from which the grievance originated. The Union Relations Supervisor shall represent the Company. By mutual consent either party may have a designated representative as they deem necessary to supply information relative to the grievances.
- (59) The Company and Union representatives shall discuss the matter and shall take every action possible to effect the settlement of the matter at the Third Level grievance meeting.
- (60) Any grievance which cannot be satisfactorily settled at the Third Level grievance meeting shall be referred to the Fourth Level of the Grievance Procedure.
- (61) Fourth Level: Grievances which have not been settled or withdrawn by the Executive Committee in the Third Level shall be referred to the Regional Director of the UAW or his representative and the Manager of Human Resources or, in his absence from the plant, his representative. The Regional Director or his representative shall be assisted by the Chairman of the Unit and such other representatives as the Chairman shall request. The Regional Director of the UAW or his representative and the Manager of Human Resources or his representative shall meet within a period of seven (7) calendar days

from the receipt of said appeal to reach a decision on said appeal, unless by mutual consent of both parties the period of time for holding such a meeting on an employee's appeal shall be extended. When a decision has been reached the Company shall inform the Union in writing as to its decision with regard to the matter within seven (7) days after such meeting.

Paragraph 5—Steps of Arbitration

- (62) Grievances which are not settled in the Fourth Level of the Grievance Procedure may be referred to the Regional Director of the UAW or his representative and Corporate Union Relations for resolution prior to submitting the unresolved issue to Arbitration. Issues which are not subsequently resolved may be referred to Arbitration through the following procedure:
- (63) Fifth Level: Grievances which are not settled in the Fourth Level of the Grievance Procedure may be referred to Arbitration through the following procedure:
- (64) The Union shall give the Company notice in writing that it desires to submit the grievance or grievances to arbitration within thirty (30) days after the Fourth Level decision has been rendered.
- (65) A permanent arbitrator will be selected from the list of registered arbitrators to be furnished by the UAW International. The services of this arbitrator may be terminated with thirty (30) days written notification from either party. If an arbitrator is terminated during the term of this agreement, a new list will be submitted as indicated above.
- (66) The retainer fee for an arbitrator will be borne equally between the Company and the Union.

Paragraph 6—Function and Authority of Arbitrator

- (67) It shall be the function of the arbitrator, and he shall be empowered, except as his powers are limited herein, after

due investigation, to make a decision in cases of alleged violations of the terms of this Agreement or Company rules and regulations and to make a decision upon any question involving the scope of his powers. Except as otherwise expressly provided herein, he shall have no power or authority to rule on or to decide any matter which, under this Agreement, is the sole responsibility of the Management to decide or on matters involving health and safety and/or production standard disputes. He shall have no power to add to or subtract from or to modify any terms of this Agreement. He shall have no power to substitute his discretion for the Company's discretion in cases where the Company is given discretion by this Agreement; provided however, that the Company hereby authorizes the arbitrator, in connection with the decision of any case involving disciplinary discharge, layoff or other penalty for violation of any provision of this Agreement or of a Company rule or regulation, to review and make a decision upon its exercise of discretion in the imposition of a penalty, either with respect to the kind or the degree thereof.

- (68) After a case on which the arbitrator is empowered to rule hereunder has been referred to him, the case may be withdrawn by the Union.
- (69) The fees and approved expense of the Arbitration shall be paid by the party against whom the arbitrator renders an adverse decision, and all other expenses shall be borne by the party incurring them.
- (70) The arbitrator may make such investigation as he may deem proper and may, at his option or at the request of either party, hold a hearing at which he will examine the witnesses of each party. Each party shall have the right to cross examine all such witnesses and to make a record of such proceedings.
- (71) No claims against the Company resulting from arbitra-

tion, including claims for back wages, by an employee covered by this agreement or by the Union, shall be valid for any period greater than the period of time established in Paragraph 3 of this Agreement.

- (72) No claim for back wages arising out of a layoff of any kind shall exceed the amount of wages the employee would otherwise have earned at his regular rate, less any unemployment compensation and Supplemental Unemployment Benefits that he may have received during the period of layoff. Monies earned by the employee during the period of layoff shall be allowed as credit to the company.
- (73) No decision of the arbitrator or of the Company in any case shall create a basis of retroactive adjustment in any other case.
- (74) There shall be no appeal from a decision of the arbitrator. Each such decision shall be final and binding upon the Union and its members, the employee or employees involved and the Company.

Paragraph 7—Time Limits

- (75) A grievance not appealed in writing from an answer at one level of the grievance procedure to the next level of the grievance procedure within five (5) working days after such answer, with the exception of appeals to the Fifth Level (arbitration), shall be considered settled on the basis of the last answer and not subject to further review. The five (5) working days may be extended with mutual consent of both parties at the Second Level of the grievance procedure.
- (76) A grievance may be withdrawn without prejudice, and if so withdrawn, must be signed by the Union representative involved, and all financial liabilities shall be canceled. If the grievance is reinstated, the financial liability shall date only from the date of reinstatement. If the grievance is not reinstated within three (3) months from

the date of withdrawal, the grievance shall not be reinstated. Where one or more grievances involve a similar issue, those grievances may be withdrawn without prejudice pending the disposition of the appeal of a representative case. In such event the withdrawal without prejudice will not affect financial responsibility.

- (77) Grievances referred to arbitration must be heard before the arbitrator within six (6) months or all liability ceases unless otherwise mutually waived by the Company and Union.

ARTICLE VI

Toledo Assembly Plant—Operational Understandings

Paragraph 1—Joint Objectives and Goals

- (78) The Company and the Union enter into this agreement with the joint realization that maximum utilization of human resources potential is vitally important to the objectives of the Company, the Union, and individual employees. A critical element of human resources development is the adoption of a participative style of operation. The participative style acknowledges the important contribution that can be made by soliciting input from employees regarding matters which directly affect them in their work environment. This operating style recognizes the need to continuously improve non-adversarial relationships, based on trust, respect and loyalty. In that regard, the parties pledge to resolve or adjust differences that affect their relationship in a manner which exhibits tolerance, patience, objectivity and avoids confrontation. The Company and Union recognize that a cooperative and participative work environment is essential to the success of the Chrysler Operating System, the organization, and the individual employee.
- (79) To that end, the Company and Union pledge to maintain

a genuine and unreserved spirit of cooperation, with a common goal of enhancing the dignity and self worth of all employees. The Company recognizes it must foster this relationship through a true team effort in cooperation with the Union. The Company's commitment to long-term job security and competitiveness at the Toledo Assembly plant is coupled with the Union's acknowledgment that the Company must produce the highest quality products at the lowest cost through flexible and efficient work practices.

Paragraph 2—Company Responsibilities

- (80) The Company objectives are to commit its resources to maintain an environment which enables continuous improvement initiatives relative to Safety, Quality, Delivery, Cost and Morale which are inseparably linked to job security, and thereby prosperity and strategic growth for the entire organization.

Paragraph 3—Union Responsibilities

- (81) Based on the Company's long term commitment to the Toledo Assembly workforce, the Union commits its long term cooperation in recognizing the principle that the flexibility of the Company must be maintained in order to improve quality, and efficiency while implementing work practices that enhance an overall flexible production system. This flexibility includes, among other things, a minimal number of job classifications, flexibility in job assignments and job transfers, acceptance and promotion of extensive training and retraining, acceptance and promotion of increased responsibility and accountability of individual employees and teams of employees. The Union recognizes that decisions relative to work content are never "final", but rather should be constantly revisited through an ongoing process where "change" is the only constant.

Paragraph 4—Formalized Team Concept Team Definition

- (82) A group of employees performing all of the work in an area which might relate to a specific section of the production process, a physical area of the plant or any other logical grouping of jobs that provides meaningful purpose within manufacturing process constraints.

Team Objective

- (83) The overall purpose of the team is to support the Corporation's core beliefs and values with respect to Inspired People, Customer Focus, Continuous Improvement, Our Reputation, and Financial Success, which promotes quality work, assured conformance to Standard Operating Procedures (SOP's), promoting cohesion between team members, and facilitating interchangeable skills between the team members through equitable training and work assignment rotation.

Employee Responsibilities

- (84) The parties agree that all employees shall be required to perform various duties and assume basic responsibilities except where management elects to assign such work to other employees. Inclusive but not limited to:
- Performing quality work including:
 - (a) Problem Detection and Correction.
 - (b) Discarding and not installing or processing obviously defective parts and materials.
 - (c) Checking own work.
 - (d) Informing appropriate personnel of defects to make corrections by attaching defective material tags and/or noting defects on applicable documents.
 - Employees will normally be expected to maintain and improve immediate work area and equipment including:

- (a) Picking up packing materials, scrap and other debris through Sweeping, Sifting, Sorting, Sanitizing and Sustaining a clean work environment.
- (b) Tasks associated with cleaning and monitoring conditions related to checking and alerting supervision of needed repairs.
- (c) Participating in work area improvements related to efficiency and organization, consistent with the voluntary, yet highly desirable participation in Chrysler Operating System initiatives.
- Participating in Continuous Improvement activities including:
 - (a) COS Workshops
 - (b) Waste Reduction Initiatives
 - (c) Continuous Improvement Workshops
 - (d) Sharing Forums
 - (e) Benchmarking
 - (f) Problem Solving, Root Cause Analysis
 - (g) Error Proofing
- Instructing employees new to job on proper performance of their duties including:
 - (a) How to operate machines and equipment safely
 - (b) Demonstrating prescribed methods and sequence of operations
 - (c) Standard Operating Procedures (SOP's)
- Performing miscellaneous administrative duties incidental to the job including:
 - (a) Preparing paperwork and reports
 - (b) Maintaining records and tallies
- Operating data entry equipment and other automated information handling devices related to the job

Team Leader

- (85) When the parties mutually agree to establish a work team in a particular area, management and the union agree a leader may be selected from the team who will facilitate

team direction and communication within the team and foster team cooperation and participation in the above described activities. Team Leaders may be expected to perform available job assignments as required. Team Leaders will be scheduled and work an additional one-half hour before and after the normal work team schedule* to accommodate Team Leader Duties.

(86) A. Selection of Team Leaders

The Company and the Union agree a Team Leader will be selected based on the following criteria:

- (1) The Team member submits an approved application to the Toledo Assembly Team Assessment Center. Application to include various in-plant assignments, statement of Intra-team operations knowledge.
 - (2) Team Leaders will be elected by appropriate team members, subject to the concurrence of the Area committeeman and Center Manager. Team Leader selection criteria will include seniority; demonstrated ability to promote Team Duties/Responsibilities; demonstrated ability to perform all operations within team; demonstrated willingness to adjust to new work introduced to the group; demonstrated willingness to participate in training; demonstrated ability to facilitate team environment.
- The Company and Union recognize the absolute importance of providing equal opportunity among team members in the selection of Team Leaders. Properly functioning teams should naturally provide ample opportunities for individuals to learn operations specific to the Team. In the event a Team member does not feel the team is functioning properly, the matter will be reviewed by Area Supervision. In the event Area Supervision is unable to address the issue to the Team member(s) satisfaction, the matter will be referred to the Area Committeeman and Center Manager for resolution.

- (3) Team Leaders shall remain in place a minimum of one (1) year. At the expiration of this tenure, applications on file will be reviewed for a potential replacement. Applicants on file with demonstrated ability to perform the Team Leader function may displace the current Team Leader at the expiration of the 12 month term subject to Team review and approval. In the event there are no applicants on file, the current Team Leader will continue his duties for an additional six (6) month period. At the expiration of 6 months, applicant review will again take place pursuant to above.
- (4) Team Leaders may be subject to removal based on an evaluation to overall performance, subject to the concurrence of the Area Committeeman and Center Manager.
- (5) **In the event there is a uniform National Team Leader selection process formalized by the National Training Center, the parties will discuss a process for implementation at Toledo.**
- (87) **B. Team Leader Duties**
 - 1. Assure proper equalization of overtime
 - 2. Facilitate Team direction and fulfillment of Team duties
 - 3. Facilitate communication within the team
 - 4. Monitor and report team attendance
 - 5. Facilitate regular and equitable work assignment rotation
 - 6. Alert management of potential safety hazards
 - 7. Complete daily reporting as it relates to production requirements
 - 8. Assist Team members with training and proper performance standards of work operations
 - 9. Communicate with Area Supervision in addressing production problems/quality issues

- 10. Develop standard operating procedures within team to insure proper completion of team tasks/work assignments

Paragraph 5—Commitment to Work Assignment Rotation

- (88) The Company and Union jointly recognize the benefits of work assignment rotation among all employees. The Company and Union agree that work assignment rotation facilitates training, production flexibility, employee autonomy and overall employee equity in supporting the team concept. In addition the parties agree that the team concept inherently promotes work assignment rotation within a group environment, benefiting the individual, the team, and the organization.

The parties agree to explore alternatives and implement best practices as it relates to Work Assignment Rotation within a team or supervisory unit, inclusive but not limited to:

- a. Requiring employees to rotate assignments as prescribed by the Team Leader.
- b. Seniority does not dictate work assignments within the Team as it relates to work assignment rotation within the Team.
- c. Each employee is expected to learn each operation provided adequate training and time have been allotted to do so.
- d. Instances of dispute, or allegations of overall inequities in work assignment matters will first be addressed by the Team Leader. In the event the Team is unable to resolve the problem, the Area Supervision and servicing Union Representative will intervene.
- e. The Company will provide adequate manpower to facilitate training associated with work assignment rotation.
- f. Work assignment rotation may occur on either a daily

or weekly basis as determined by the Team. In cases where the rotation of assignments are allegedly abused, the matter shall be brought to the attention of the Area Committeeman and Center Manager for resolution.

Paragraph 6—Competitive Improvements

(89) The Parties discussed at length the importance of achieving improvements in plant competitiveness to help assure viability for the Toledo Assembly Plant and for its employees.

To this end, the Parties agreed that repairmen can work off tags, work off travelers, and/or work at the instruction of supervisors, all for the common purpose of assuring a high quality product that is attractive to the consumer.

(90) Additionally, the Parties agreed that employees, such as repairmen, must be able to "seek and repair" the product as it goes through their work areas.

In implementing the terms of "seek and repair" it is understood this may result in excess manpower on certain inspection assignments. Should this occur, the Parties agreed that the following procedure will be followed to address the situation:

- a. No attritional transactions (quits, discharges, retirements, deaths, bidding out, etc.) will be filled from the impacted position to aid in the leveling process.
- b. Beginning with the start of the twelfth month after the effective date of this Agreement, any employee effected by a reduction in force as a result of this change will be placed in the appropriate and applicable employment program.

Paragraph 7—Reduced Classifications

(91) Understanding the need to continuously improve productivity and efficiency of operations relative to Safety, Quality, Delivery, Cost and Morale, the parties agree to

reduce and/or combine classifications where operationally feasible with consideration to the following criteria:

Non-Skilled Classifications

(92) Non-skilled classifications shall be reduced to reflect and support expanded employee basic responsibilities. Non-skilled classifications may be limited to five (5) classifications.

Skilled Trades Classifications

(93) Skilled Trades classifications shall be effectively reduced to reflect the consolidation of former M.E.S.A. classifications with UAW, Local 12 in addition to minimizing traditional lines of demarcation with respect to job responsibilities. Furthermore, the focus of multiple job responsibilities within the Skilled Trades classifications will be directed to support production activity. Skilled Trades classifications may be limited to ten (10) classifications.

(94) Skilled and Non-Skilled classifications no longer populated shall be deleted from the rate manual.

Paragraph 8—Flexible Work Practices

(95) In order to clarify what constitutes flexible work practices, the parties recognize that many tasks are properly performed within the scope of two or more classifications. During the course of completing a principle assignment, employees may properly perform complementary and incidental tasks or series of such tasks that if performed separately may be regularly assigned to a particular classification under the following circumstances:

(96) The time required in relation to the principal job is relatively short. The employee has the capability to perform tasks. The work can be performed safely.

- (97) The parties agree to discuss and objectively assess flexible work practices in an effort to maximize operational efficiency relative to expanding employee basic responsibilities inclusive of incidental non-skilled work and non-production support traditionally performed by Skilled Trades. Skilled Trades job responsibilities will be focused but not limited to supporting production activity.
- (98) Disputes arising from the above understanding may be referred to the Chairman of the Shop Committee and the Union Relations Supervisor for expeditious resolution.
- (99) The parties shall attempt to resolve disputes outside the grievance procedure. Unresolved matters may, after joint good-faith efforts have failed, be ultimately referred to the grievance procedure for resolution.

2003 Operational Understandings Addendum

- (100) a. The parties acknowledged and agreed the separate and distinct agreement applicable to Daimler Chrysler's Toledo Assembly Plant and UAW Local 12 is premised on an environment emphasizing jointness and world-class operational flexibility. As such, the provisions of this agreement will remain in place for a period of eight (8) years expiring November 14, 2011, and are not subject to change other than with respect to economic issues such as wages and benefits.
- b. The infrastructure and operational approach going forward will require employees to begin adopting new roles and institute training to ensure the successful transformation and migration to a world class competitive operation following ratification of this agreement.
- c. A primary consideration within the contemplated work assignments is the continued evolution of assignments in which team members will be

assigned in small groups of approximately 4 to 8 members on average and rotate fully within these assignments on a schedule designed by the LEPC. Team members will engage in problem solving and continuous improvement activities to support the implementation and maintenance of lean manufacturing principles inclusive of waste elimination, standardized work, cost reduction efforts, quality control, and process measures.

- d. In order to facilitate the continuous improvement philosophy all team members will be expected to engage in design, fabrication and installation on line-side operator support devices without being restricted to traditional lines of demarcation. Operators will also be responsible for the performance of preventive maintenance checks as developed by Team Coordinators and Team Leaders in conjunction with Team Members. These duties will include but are not limited to visual inspection, checking and adjusting equipment, TPM (Total Preventive Maintenance), and maintaining a clean work area including sweeping and maintenance, and the performance of related tasks during downtime and after production requirements have been met.
- e. The parties further agreed that work assignments would continue to be by natural work groups with a migration plan to two (2) classifications across both facilities for non-skilled and minimal skilled hourly classifications consistent with other world class operations. Team Leaders will be responsible for on-the-job-training for other team members in order to attain the versatility necessary to support full rotation and facilitate absentee coverage wherein the Team Leader will be primary replacement.

- f. In order to maintain the competitiveness of the operation and to address the needs of the market, several operating patterns may be instituted to ensure consumer demands for our products are met. The normal operating pattern and four (4)-day work week operating pattern includes a total of thirty-(30) minutes relief and five-(5) minute team meeting per shift, unless specifically noted to the contrary below.
- g. Relief minutes for operating shifts in excess of eight (8) hours will be calculated on a pro-rata basis.

Normal Operating Pattern:

- Stickney — New Facility: Mandatory ten (10) hours per day, two (2) out of three (3) Saturdays.
- TNAP: One (1) and two (2) shift operations may be scheduled up to ten (10) hours each & two (2) Saturdays per month from January to April with ten (10) hour mandatory weekday schedule & one (1) Saturday per month from May to December.
- During launch of new products, mandatory ten (10) hour weekday schedule and two (2) out of three (3) Saturdays may be scheduled for a period of one (1) year from full volume production.
- 4 / 10's: A four (4) day, ten (10) hour shift work pattern whereby the 9th and 10th hour are paid at straight time.
- AWS: Three (3) eight (8) hour shift work pattern. AWS Relief Schedule: Thirty-five (35) minutes total relief time during eight (8) hour shift. Employees will receive a fifteen (15) minute paid lunch payment. Team Communication, as required, will be addressed during the relief period.

- h. Staffing vacancies and replacement process will be completed by enabling one primary move to a Team. Initial employee assignments will remain in place for a period of 2 years after full launch to support the investment in training and to ensure quality. All Team Members will be expected to participate and implement training in problem solving, standardized work practices, lean manufacturing concepts, conflict resolution, quality and inspection systems, pull systems concepts, safety and ergonomic applications.
- i. Recognizing operational flexibility is critical to the success of new and continuing operations in Toledo; the Company will communicate and implement an Attendance policy consistent with other world-class manufacturing operations. Temporary workers will continue to be utilized to cover high absences, vacations, launch requirements, etc. Employees will also be subject to a mandatory call-in procedure to assist with unscheduled absenteeism and its negative impact on product quality and process conformance. Absenteeism data may be posted by the team.
- j. In addition, modular assembly of major components at both facilities will be required in order to meet variable cost, investment, quality targets and floor space requirements. Incremental sourcing at TNAP will include front end modules, cradles, suspension assembly, door system modules, tire and wheel assembly and fascias. It is contemplated Stickney will mirror TNAP in this regard. Additionally a rolling chassis module is also planned for the Wrangler replacement model.
- k. The following non-core work will be performed by outside services at Stickney concurrent with

the deactivation of Parkway Operations.

- Janitorial Services
- Fire Prevention
- Jitney Repair / Truck Garage
- Medical Services (Nurses)

- l. The following non-core services will also be phased out at TNAP beginning coincident with Parkway operations deactivation, and will be completed no later than July 2008.
 - Fire Prevention
 - Medical Services
- m. Notwithstanding the above, Paint Booth Cleaning will be performed by an outside service coincident with the launch of a third shift.
- n. As discussed previously the Stickney business case will require a Supplier Park arrangement in order to be viable. In the event that a third party provides investment and/or operates, Body and Paint facilities normally contained within a traditional OEM Manufacturing facility, employees would be employed by a third party and covered by Agreement(s) that mirror the Toledo UAW-DaimlerChrysler Agreement in terms of wages and benefits, and will likely be represented by the UAW.
- o. Individuals employed by Supplier Park firms providing direct or indirect services (including rolling chassis) to the new facility will be provided wages & benefits competitive with other Tier II firms supplying such products or services. The UAW or other unions will likely represent these firms.

- p. The Company acknowledges the UAW's commitment to the continued development of an effective relationship between the parties and believes the provisions contained in this letter can serve as the foundation for future success and job security of employees represented by the Union. The terms and conditions of the Agreement will apply to all Chrysler Group, Toledo Jeep Manufacturing Operations.

ARTICLE VII DISCHARGE AND DISCIPLINE

Paragraph 1—Notice of Discipline and Discharge

(101) No employee will be disciplined, discharged, or suspended before the District Committeeman, or the servicing Union Representative in an area that is not serviced by a District Committeeman, or Chairman or Vice Chairman, or in their absence the servicing steward, has been tendered a copy of such notice. Such notice will not be issued after thirty (30) minutes prior to the end of an employee's shift except for violations requiring immediate discipline, discharge or suspension. Such discipline, discharge or suspension shall not be in violation of the agreement between the Company and the Union, and further, such discipline, discharge or suspension may be subject to the grievance procedure.

Paragraph 2—Adjusting Discipline Records

(102) In imposing discipline on a current charge (other than absenteeism), Management will not take into consideration any infractions which occurred prior to the twelve-month period of active employment immediately preceding the current charge. In cases of absenteeism, infractions which occurred more than two (2) active years previously will not be considered.

Paragraph 3—Discipline Grievances—Time Limits

(103) Any and all rights of any employee or employees disciplined or discharges shall not be a part of the grievance procedure and such action of the Company shall be final unless the employee or employees affected file a grievance within thirty (30) calendar days of such disciplinary action or discharge.

ARTICLE VIII LIMITATIONS OF STRIKES, WORK STOPPAGES AND SLOWDOWNS

Paragraph 1—Strike Limitations

(104) The Union and its members, individually and collectively, agree that during the term of this agreement and any extension thereof, there shall be no slowdown or sit down strikes.

(105) It is further agreed that the Union will not take any strike action in respect to any controversy, dispute or grievance, except grievances involving production standards or health and safety, providing such grievances have completely exhausted the grievance procedure as provided for in Article V, Paragraph 4; and then not until the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, within sixty (60) days after receiving the Company's Fourth Level decision in writing, has notified the Human Resource Manager of the Corporation in writing that it has authorized a strike, specifying the grievances that are involved in the proposed strike, and negotiations have continued for at least seven (7) separate days on which meetings have been held after the Corporation has received notification from the International Union. Such notice shall be valid for only sixty (60) working days unless extended by mutual agreement.

Paragraph 2—Limitation and Liability

(106) The Company agrees, as part of the consideration of this agreement, that neither the Union, its officers, agents or members shall be liable for damages for unauthorized stoppages, strikes, intentional shutdowns or suspension of work if the Union complies with all the provisions of Paragraph 3 of this Article.

Paragraph 3—Obligation to Company

(107) The Union agrees that as a part of the consideration of this agreement, it will take immediate steps to end any unauthorized stoppages, strikes, intentional slowdowns or suspension of work. The Company will notify the Executive Committee of the Union if such violation occurs. Immediately upon notification of such occurrence the Union shall deliver the following notice to the Company who shall post it on bulletin boards or otherwise furnish such notice to the employees:

"To all members of Jeep Unit, Local 12, UAW

Dated _____

You are advised that certain action took place today in _____

Division, _____ Department.
This action was unauthorized by both the Union and International Union.

You are directed to promptly return to your respective jobs and to cease any action which may affect production. The grievance(s) in dispute will be processed through the grievance procedure provided for in your Agreement."

It is agreed that an officer of Jeep Unit, Local 12 and/or the International Union shall sign the notice referred to above.

Paragraph 4—Discipline for Violations

(108) In the event of a strike in violation of this Agreement, the Company shall have the right to discharge or discipline as deemed necessary any member of the Union who participates therein, or agitates such strike action. The Union may review such disciplinary action in the grievance procedure.

**ARTICLE IX
SENIORITY****Paragraph 1—Probationary Employees**

(109) New **permanent** employees of the plant shall be considered as probationary employees for the first ninety (90) days of their employment, **notwithstanding the current TPT arrangement as outlined in Article IX, Paragraph 5.** The ninety (90) days' probationary period shall be accumulated within not more than one (1) year. After employees have finished the probationary period, they shall be entered on the seniority list of their department and shall rank for seniority from the day ninety (90) days prior to the day they completed the probationary period.

(110) There shall be no seniority among probationary employees.

(111) The Union shall represent probationary employees for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment as set forth in Article IV of this Agreement, but the Union shall not represent probationary employees who have been laid off or discharged except in case the layoff or discharge is for discrimination for Union activities. When other factors enter into the discharge of a probationary employee, the Union shall not represent the probationary employee. A probationary employee who is discharged and later reinstated shall not be deemed to have served any part of his probationary period between the date of his discharge and his reinstatement.

(112) An employee who is separated during his probationary period for an occupational disability arising out of his employment by the plant and who is subsequently reinstated shall be required to complete his probationary period, and upon doing so shall have a seniority date

which includes the time he was separated due to such disability, plus ninety (90) days.

Paragraph 2—Employee Defined

- (113) For the purpose of these Articles, the word "employee" means an employee who has acquired seniority.

Paragraph 3—Seniority Defined

- (114) Seniority is by Factory Seniority Group and may be exercised as provided in this Article IX.

Paragraph 4—Seniority Lists

- (115) Rank on the seniority list shall not be affected by the age, sex, religion, race, marital status, or dependents of the employee.
- (116) The seniority list of the Company on the date of this agreement shows the names of all employees of the Company entitled to a ranking for seniority.
- (117) The management shall keep the seniority list for each department up to date at all times, and whenever the Steward shall raise a question of seniority, shall make the seniority list available for his inspection for the purpose of settling the question. The management will post in each department a corrected seniority list every thirty (30) days. The seniority ranking of employees will be determined by using the lowest last four (4) digits of the employee's social security number. In those instances where duplications exist, seniority will then be determined by proceeding to the fifth lowest number or until the lowest number is established.
- (118) The Company and the Union agree that the present seniority lists as of the date of this Agreement are the master records of seniority. Separate master records of seniority lists shall be maintained for the factory, office, skilled trades, Engineering and Nurses seniority groups.

- (119) Two copies of such lists will be given to the Union and will include the classifications of the employees on the list as of date of the list.

Paragraph 5 — Supplemental Employees

- (120) The parties concur that in order to help close the competitive gap, our workforce must remain flexible. The parties recognize that from time to time there will be a need to supplement the workforce due to, but not limited to the following:
- a. High absenteeism
 - b. Vacations
 - c. Launches
- (121) The parties agreed to the following provisions regarding the hiring & utilization of Temporary Part Time Employees:
- (122) Temporary part-time employees may be hired to supplement the work force for straight time, overtime or weekend work.
- (123) Temporary part-time employees may be offered full-time employment, determined by a first-in, first-out method.
- (124) Temporary part-time employees will not be hired when there are laid off seniority employees from the plant who would otherwise be recalled to work.
- (125) Temporary part-time employees may be scheduled any part or all of the hours scheduled for the department in which they are assigned.
- (126) Temporary part-time employees may be scheduled to work daily overtime and on days for which regular full-time employees receive premium pay as such for time worked provided they do not displace regular full-time employees.

- (127) The employment by the plant of temporary part-time employees shall not be considered as an infringement of the rights of regular employees under this Agreement provided, however, at the time of a reduction in force, a seniority employee who is to be indefinitely laid off from the plant pursuant to such a reduction may request to displace a temporary part-time employee. Seniority employees who displace a temporary part-time employee shall, during the period they would otherwise be on indefinite layoff, be required to comply with the work scheduled for temporary part-time employees.
- (128) A seniority employee who upon being indefinitely laid off elects to displace a temporary part-time employee or who, while on such layoff is hired to work as a temporary part-time employee shall be paid a rate determined in accordance with the applicable provisions of Article XIV of the Agreement. Such employee shall also be provided the level of life, accidental death and dismemberment insurance and the HSMD-DVH coverage, but not Supplemental Unemployment Benefits (SUB) or Supplemental Retirement and Severance Benefits, to which he would have been entitled if he had continued as a laid off seniority employee, but only for the length of time he would have been entitled to such benefits if he had remained on indefinite layoff.
- (a) Once per year, seniority employees working as TPT's can ask to be reassigned by seniority. He is responsible for making his request known via the Plant Employment Office. Requests will be honored as soon as practical without interference to operations.
- (b) When a reduction in the number of TPT's become necessary, the Principle of seniority will be applied wherever practical.
- (129) Temporary part-time employees (except temporary part-time skilled trades employees hired to work in an

apprenticeship or non-apprenticeship skilled trades classification) shall be subject to the provisions of Article XIV Paragraph 1 of the Agreement. It is understood that such employees shall receive one (1) week of credit toward wage progression pursuant to Article XIV for each forty (40) hours actually worked. Each increase shall be effective at the beginning of the first pay period following the completion of the required number of hours actually worked.

- (130) A temporary part-time employee hired to work in a skilled trades classification shall be paid as follows: If the employee possess the qualifications required for journeyman status in the classification in which he is employed shall be paid the minimum rate of the classification for the first one hundred and twenty (120) days actually worked.
- (131) A temporary part-time employee shall not accumulate time toward the fulfillment of the 90 day probationary period while employed as a temporary part-time employee. In the event a temporary part-time employee is offered full-time employment, he will have the option to remain a TPT.
- (a) If he accepts an offer of full-time employment the first time offered, his seniority date will be his original hire date after successful completion of his 90-day probationary period.
- (b) If he declines an offer of full-time employment, he must sign a waiver of said offer in the Plant Employment Office. If at a later date he expresses interest in full-time employment, he must report to the Plant Employment Office to notify the Company of his interest. If an offer of full-time employment is extended and accepted, his seniority date will be the date that he became full-time after successful completion of his 90-day probationary period.

- (132) The Corporation may discharge or terminate the employment of a temporary part-time employee at any time provided, however, the Union may protest in the grievance procedure the discharge or termination of a temporary part-time employee in cases of claimed discrimination on account of race, color, national origin, age, handicap, sex or religion.
- (133) A temporary part-time employee shall be entitled to Union representation including the grievance procedure in cases of alleged violation of this Paragraph.
- (134) A temporary part-time employee shall be subject to the provisions of Article II of the Agreement. The initiation fee and monthly dues regularly required of temporary part-time employees shall be as determined by the Union. Notice of the amounts of such fee and dues shall be given to the Corporation in writing by the Union.
- (135) A temporary part-time employee will not be assigned to an operation expressly for the purpose of establishing a production standard on that operation; nor will his performance be considered either in establishing a production standard or in a dispute over the production standard.
- (136) A temporary part-time employee shall not be covered by the SUB Plan, Pension Agreement or the Insurance Program except as provided in Subparagraphs (128) and (139) of this Article. He shall have only such rights, privileges, compensation or benefits as are expressly set forth by this Paragraph and the Articles of the Agreement relating to Cost-of-Living Allowance, Article XIV, Paragraph 10 and Call in Report Pay, Article X, Paragraph 11.
- (137) A temporary part-time employee shall be paid time and one-half for time worked in excess of eight (8) hours in any continuous twenty-four hour period beginning with the starting time of his shift and for time worked in excess of forty (40) hours per week. A temporary part-

time employee shall be paid for hours worked on Saturday and Sunday in accordance with the Provisions of Article XIV of the Agreement.

- (138) A temporary part-time employee shall receive eight (8) hours pay at his regular straight-time hourly rate for any of the holidays enumerated under Article XIV of the Agreement when such holidays occur on a regular workday on the employee's workweek provided the employee (1) actually worked at least ninety (90) days prior to such holiday, (2) worked his last scheduled working day prior to and his next scheduled working day after such holiday within the scheduled workweek, and (3) would otherwise have been scheduled to work on such day if it had not been observed as a holiday.
- (139) Temporary part-time employees will be provided the same insurance benefits as those employees covered by the TPT provision of the DaimlerChrysler - UAW National Agreement.

Paragraph 6—Loss of Seniority

- (140) An employee shall lose his seniority for the following reasons only:
 - (a) He quits.
 - (b) Gives false reasons to obtain or to extend a leave of absence.
 - (c) He is discharged and the discharge is not reversed through the grievance procedure.
 - (d) The employee fails to report for work within five (5) consecutive working days, except if a certified letter from the employee is received by the Employment Office or if the employee, or a member of his immediate family, or the Union in his behalf comes to the Employment Office requesting a leave of absence prior to noon of such fifth working day and such request is granted.

- (e) He does not return to work when called within five (5) consecutive working days except if a certified letter from the employee is received by the Employment Office or if the employee, or a member of his immediate family, or the Union in his behalf comes to the Employment Office requesting a leave of absence prior to noon of such fifth working day and such request is granted.
- (f) He overstays a leave of absence without approval of the Employment Office.
- (g) He is laid off during the term of this Agreement for a continuous period equal to the seniority he had acquired at the time of such layoff period, or for five (5) years, whichever is longer; provided, however, an employee who is laid off or who is not recalled and reinstated from layoff in line with his seniority because of his continuing physical inability to perform the available work will not be considered as laid off for the purposes of this Subsection unless and until an employee in the same seniority department with same or greater seniority is on layoff.
- (h) He receives permanent total disability benefits under a group insurance policy held by the plant. If he ceases to receive such benefits and is re-employed, his seniority, including that which he otherwise would have acquired during the period of his disability, shall be restored.
- (i) He retires or receives a pension under the Pension Plan of this agreement. If he receives a pension for permanent total disability and recovers and has his pension discontinued, his seniority including that which he otherwise would have acquired during the period of his disability, shall be restored, provided, however, if the period of his disability retirement was for a period longer than the seniority he had on the date his pension for permanent total disability

began, he shall, upon the discontinuance of his permanent total disability pension, be given seniority equal to the amount of seniority he had on the date such pension began.

- (j) He accepts a Separation Payment under the Supplemental Retirement and Benefit Severance Plan.

Paragraph 7—Seniority of Union Representatives

- (141) Members of the Executive Committee, Stewards, the Health and Safety representative and the Benefit Plans Representative shall be employees of the company with at least one year's seniority.
- (142) Subject to the provisions of this Article IX and notwithstanding their position on the seniority list, Stewards shall, in the event of a layoff or temporary adjustment, be continued at work as long as there is a job in their district which they are able to do and any of their respective constituents still are at work, and shall be recalled to work after the layoff as soon as there is a job in their district which they are able to do and any of their respective constituents have been recalled to work. During temporary adjustments, Stewards shall investigate and present only grievances that arise during such adjustment.
- (143) Notwithstanding their position on the seniority list, the Executive Committee and the Health and Safety Representative, and Benefit Plans Representative shall in the event of a layoff as defined in this Article IX and rehire be continued at work at all times when one or more departments or fractions thereof are at work, provided that they are able and do the work being done at the time. It is understood the Benefit Plans Representative and Health and Safety Representative shall not participate in the grievance procedure.

Paragraph 8—Seniority of Employees Promoted to Salary

- (144) The plant reserves the right to hire whom it desires for supervisory or non-union salaried positions.
- (145) If such an employee holds seniority rights as a worker, the plant has the prerogative of relieving him of his supervisory or non-Union salaried position, but the employee will retain his place on the seniority list. When an employee is promoted or transferred to supervision (temporary or permanent) or a non-Union salaried position, the Chairman of the Executive Committee shall be notified in writing and the employee shall accumulate seniority for a period of thirty (30) calendar days. Such thirty (30) calendar days accumulation will be permitted only once during the lifetime of this Agreement. Such employee will return to the Bargaining Unit in line with his seniority.

Paragraph 9—Reinstatement After Disability

- (146) When an employee's absence from work is due solely to disability resulting from sickness or injury and the proof of the disability is given to the plant, he will be returned to work in accordance with his seniority and these rules as nearly as may be as if he had not suffered disability, provided he passes the required medical examination. If the disposition is not satisfactory, the employee may ask to discuss the matter at the plant with his Steward or Committeeman, and Management will arrange for him to do so. If a grievance on the matter is submitted, it may be referred to Step 3 of the grievance procedure. The Chairman of the Executive Committee may then take the grievance up with the Union Relations Supervisor or his designated representative. In proper cases, the parties may select an independent physician to resolve the conflicting medical findings of the employee's personal physician and the plant physician with respect to determining the employee's ability to

perform the duties of the available work to which he would be entitled by seniority. The selection of an independent physician by the Union Relations Supervisor and the Chairman of the Executive Committee will be made within seven (7) working days from the date the matter was referred to the Union Relations Supervisor or his designated representative. Costs will be paid by the Plant. If the report of the independent physician places work restrictions or limitations on the employee equal to or greater than those previously placed on him by the plant physician, there shall be no retroactive pay. If the report or decision places work restrictions or limitations on the employee which are less than those previously placed on him by the plant physician, retroactive pay, if any, shall be limited to the period beginning with the day of the final examination by the independent physician and shall be calculated as provided in Article V.

- (147) The decision of the independent physician shall be final and binding on the plant, the employee involved and the Union.
- (148) If an employee claims he is unable to perform the duties of the available work to which he would be entitled by seniority and management disputes such claim, the issue shall be submitted to an independent physician, provided consultation between the employee's personal physician and the plant physician or physicians acting for the plant does not resolve the conflicting medical findings. The independent physician shall be selected by the Chairman of the Executive committee and the Union Relations Supervisor within seven (7) working days from the date the dispute arose. The employee shall submit to a physical examination by the independent physician who shall submit a written report of his findings and conclusions. Costs of such examination shall be paid by the Plant. The decision of the inde-

pendent physician shall be final and binding on the plant, the employee involved and the Union.

Paragraph 10—Reinstatements

(149) All employees absent from work for five or more scheduled work days must be reinstated by the Employment Office before returning to work.

(150) In order to be reinstated without loss of time, first shift employees must apply for reinstatement on the day the Employment Office is open (excluding Saturdays, Sundays and Holidays) immediately preceding the day they anticipate returning to work. Second and third shift employees may apply the same day they anticipate returning to work. First shift employees, precluded from applying for reinstatement as specified above by circumstances beyond their control, who apply on the day they anticipate returning to work and are reinstated, will be allowed to return to work if their processing is completed prior to the end of the lunch hour of the assigned department.

Paragraph 11—Change of Address

(151) Employees shall notify the plant of any change of address by calling in person at the Employment Office, where a form will be filed out in triplicate and signed by the employee who will retain the third copy; the second copy to be delivered to the Executive Committee and the original copy to be retained in the Employment Office.

(152) Where it is not practical to give the notice in person, the employee will notify the plant of change of address by United States certified mail. In such cases the Employment Office will stamp "certified letter" in place of the employee's signature and mail the third copy to the new address given by the employee and distribute the other two copies as outlined above.

(153) The Company shall be entitled to rely on the last address shown on its records.

(154) An employee who fails to report for work within five (5) consecutive working days because of incorrect address shall lose his seniority rights.

Paragraph 12—Shift Transfer Request

(155) Employees shall be given their shift preference by classification according to their departmental seniority provided such employees have the ability to perform the work of the displaced employees, and that full protections shall be given to the efficiency of operations at all times.

(156) Employees shall make their shift preference known in writing to their supervisor with a copy to the steward, and assignments pursuant thereto shall be made as soon thereafter as practicable, but that such assignment will be effective on Mondays.

(157) When employees are assigned to a shift in accordance with their shift preference, they shall be required to remain on that shift for six (6) months, seniority permitting. It is understood the work previously performed by the shift preferencing employees shall not be subject to an intra-department transfer under Article IX, Subparagraph (172).

(158) When it is necessary to secure the service of employees with special qualifications or mechanical experience and there is no one with seniority in the department with the necessary qualifications, the Company will transfer or hire employees as needed.

LAYOFF AND RECALL

Paragraph 13—Layoff Definitions

(159) The term "layoff" when used in this Agreement means a reduction in the working force and includes the following definitions:

- (a) Indefinite Layoff—An indefinite layoff means a reduction in the working force for an unknown or indefinite duration for any reason not set forth in subsection (b) and (c) below.
- (b) Temporary Adjustment—A temporary adjustment means a reduction in the working force usually for a limited duration and are caused for example by parts or material shortages, temporary inventory or scheduling adjustments, machinery or equipment failures, temporary tooling or production difficulties, labor disputes, emergencies, or acts of God.
- (c) Model Change or Inventory Layoff—A model change or inventory layoff means a reduction in the working force for either or both of these reasons, the duration of which may or may not be known.

Paragraph 14—Notice of Layoff

(160) The plant will give to employees and to the Steward in the district twenty-four (24) hours notice of layoff as hereinbefore defined except:

- (a) in the case of a temporary adjustment when the circumstances causing the reduction in force make it impracticable for Management to give such notice;
- (b) when employees are displaced pursuant to the Indefinite Layoff Procedure, by employees returning to work from leaves of absence; or
- (c) when employees are displaced by temporary skilled trades employees returning to production.

Paragraph 15—Layoff Procedure—Indefinite Layoffs

(161) When there is an indefinite layoff, employees shall be laid off or displace other employees in the following manner subject to the employee's ability to perform the available work:

- (a) Probationary employees will be laid off on a plant-wide basis.
- (b) Employees with seniority will be laid off in each department according to seniority. Employees on operations requiring special skills may be retained out of line of seniority provided no other employee with seniority which has performed and can perform the operation is available in the department. Such special skill employees may be replaced provided the employee with seniority can perform the operation in one day's time with no additional expense to the company.
- (c) The employees laid off from the department shall, in order of seniority, displace lesser seniority employees in the plant, provided they have the ability to perform the available work. The Company will have up to fifteen (15) working days to place such employees. The Union will be notified as soon as practicable if the time required will exceed ten working days. Employees shall not displace employees in the Press Division unless the employee has made such application. The application may be made at the Employment Office once each year on the second Friday of January.
- (d) Employees recalled from an indefinite layoff shall be recalled according to their seniority subject to the employee's ability to perform the available work.

Paragraph 16—Layoff Procedure Temporary Adjustment

(162) Temporary adjustments of the working force may be made without regard to seniority for a period of ten (10) working days. If the period of the reduction exceeds ten (10) working days, Management will adjust the working force in accordance with the provisions of this Article IX—Layoff Procedure—Indefinite Layoffs within five (5) working days unless the parties mutually agree to extend such period.

**Paragraph 17—Layoff Procedure—
Model Change or Inventory**

(163) When reductions of the working force due to model change or inventory occur, employees on jobs which do not have to be performed during the shutdown period will be laid off as their jobs are completed prior to the model change or inventory and recalled as their jobs start up after the model change or inventory.

TRANSFER AND PROMOTION**Paragraph 18—Transfer of Employees Within The Plant**

- (164) Under normal circumstances the departments will remain intact for the duration of this agreement; however, it is also understood that for sound business reasons management may add, delete or change departments and will notify the Union in advance of such change. At the request of the Union, management will discuss such change.
- (165) Employees who are transferred from one department to another department within the plant, shall carry their full seniority to the new department, except when transferred to a skilled trade, Engineering, Office & Clerical, or Nurse position.

(166) When operations are transferred from one department to another department, within the plant, the employees who are engaged in such operation may, if they so desire, be transferred with their operations with their full seniority.

(167) Employees with one or more years seniority who wish to transfer to another department may make out one (1) transfer application specifying up to three preferred departments at the Plant Employment Office. Employment will time/date stamp the application and issue the employee a copy. When transferring to fill permanent openings in a department, the employee with the greatest seniority will be transferred, provided the employee has the ability to do the available work.

(168) Such applications (i) shall be valid for a period of 6 (six) months, (ii) may be renewed by the employee within ten days at the end of each 6 month period and (iii) may be revoked by the employee at any time provided, however, once the employee is notified he is to transfer, the application may not be revoked.

(169) An employee so transferred may not make another application in less than 6 (six) months from the date of such transfer unless the employee so transferred is displaced as a direct result of a reduction in the work force. If an employee possesses a special skill which is required by the Company in another department, this provision may be waived by the Company providing no other application is on file.

(170) A job opening created by such transfer will not be filled by the transfer of another employee under this provision.

- (171) The employee will be released within ten (10) working days unless mutually agreed or a semi-skilled employee is involved.
- (172) When management makes an intra-department transfer by assigning an employee to fill a permanent opening within the department, the employee in the department and on the same shift with the greatest seniority will be selected provided the employee has submitted an application requesting such job assignment and provided the employee can do the work. It is understood that an employee assigned pursuant hereto shall not be eligible to make application for another such assignment for six (6) months from the date of assignment unless the employee is displaced by a reduction in the work force or the job is eliminated.
- (173) It is also understood management retains the right to assign employees to maintain the efficiency of operations at all times. Examples of maintaining the efficiency of operations include, but are not limited to, absentee coverage, training, ergonomically-based job rotation and the like.
- (174) In the event it becomes necessary to reassign an employee temporarily, management will inform the employee of the reason and duration of the temporary reassignment. The management assures the Union it does not condone nor will it permit reassignment of employees for the purpose of favoring an employee or of harassment or as a punitive measure. If the Union believes an assignment has been changed for such reason, it shall take the matter up with the area manager.
- (175) **Additional manpower movement provisions are included in the 2003 Operational Understandings Addendum (Subparagraph 100 of this agreement).**

Paragraph 19—Discontinuance of Operations

- (176) When operations or departments are discontinued, employees affected will be given other work in the plant which they can do and without change of ranking for seniority.
- (177) Work will be made available in the following order:
- (a) Open jobs
 - (b) Jobs of probationary employees
 - (c) Jobs of lesser seniority employees

VETERANS

Paragraph 20—Reinstatement of Seniority Employees

- (178) Any employee who enters into active service in the armed forces of the United States, upon the termination of such service, shall be offered re-employment in his previous position or a position of like seniority status and pay, unless the circumstances have so changed as to make it impossible or unreasonable to do so, in which event he will be offered such employment in line with his seniority as may be available which he is capable of doing at the current rate of pay for such work, provided he meets the following requirements:
- (a) Has not been dishonorable discharged;
 - (b) Is physically able to do the work; and
 - (c) Reports for work within ninety (90) days of the date of such discharge, or forty-five (45) days after hospitalization continuing after discharge for not more than one (1) year.
- (179) If an employee while in the armed forces would, if working, have been laid off for a period equal to the total seniority which he would have accumulated up to the time of layoff, he shall have no re-employment rights.

Paragraph 21—Reinstatement of Probationary Employee

- (180) A probationary employee who enters the armed force and meets the foregoing requirements, must complete his probationary period, and upon completing it will have seniority equal to the time he spent in the armed forces, plus ninety (90) days.
- (181) Upon applying for reinstatement, the probationary employee will have the right to displace any other employee in his seniority unit whose seniority is less than the time the probationary employee spent in the armed forces plus the portion of probationary period he served before entering the armed forces.
- (182) For the purpose of determining eligibility for payment in lieu of vacation and holiday pay, or if a layoff should occur prior to the completion of the probationary period, that portion of the probationary period already served plus the time spent in service will be credited for these purposes only.
- (183) If a probationary employee while in the armed forces would, if working have been laid off for a period equal to his service in the armed forces up to the time of lay-off plus the portion of his probationary period he had already served before entering the armed forces, he shall have no re-employment rights.

Paragraph 22—Veterans' Laws

- (184) Except as hereinbefore provided the re-employment rights of employees and probationary employees will be limited by applicable laws and regulations.

- (185) The terms and conditions of agreements between the Corporation and the Union relating to veterans will be governed by applicable laws and regulations, and will continue to be applied in a non-discriminatory manner.

LEAVES OF ABSENCE**Paragraph 23—Application for Leaves / Procedure**

- (186) Employees may apply and will be granted a leave of absence for good cause for reasonable periods not to exceed one (1) year with the consent of the plant, provided full protection to efficiency of operations is maintained. An employee who is on an approved leave of absence shall accumulate seniority and pension and severance credits if his seniority is working, except where otherwise stipulated.
- (187) An employee who desires a leave of absence will make application to his Supervisor.
- (188) Where a leave is not granted, and the employee requests, the Committeeman will meet with the Division Head on the matter. Failing to arrive at a decision the matter will be referred to the Chairman of the Executive Committee and the Human Resources Manager.
- (189) An employee on a leave of absence for illness will give the Company at least two (2) days advance notice of his return to work, unless circumstances beyond his control obviously prevent the employee from doing so.

Paragraph 24—Type of Leave

- (190) The following types of leaves will be granted in accordance with the rules as set forth herein:

Union Business Leave

- (191) An employee elected or appointed to office in the International Union, United Automobile, Aerospace and

Agricultural Implement Workers of America, in Local 12 thereof, shall be granted leave for periods not to exceed three (3) years or the term of the office, whichever is shorter for as long as the employee holds the position. Within sixty (60) calendar days after his termination of office, he must report for work. He shall be reemployed in line with his seniority.

Government Leave

- (192) An employee elected or appointed to any position in the service of the Government of the United States, or any political sub-division thereof, shall be granted leave for the duration of the first term of office to which the employee is elected or appointed. No employee shall be allowed to make a career of Government service and retain his seniority, pension and severance credits under the provisions of this section. Within sixty (60) calendar days after the termination of his first term of office, the employee must report for work or forfeit his seniority. He shall be reemployed in line with his seniority.

Personal Leave

- (193) An employee who has been granted a personal leave of absence shall not be permitted to return to work until the expiration of the full amount of time for which the leave was granted or extended unless it is mutually agreed to by the plant and the Union. On extended leaves beyond thirty (30) calendar days the employee shall not accrue pension or severance credits. In the event the employee is found working while on a leave of absence, he will be discharged. An employee returning from a leave shall be reemployed in line with his seniority. The granting of such leave is subject to provision that full protection to efficiency of operations is maintained.

Sick Leave

- (194) An employee who becomes ill, whose claim is supported by satisfactory proof of illness to the Medical Department shall be granted a leave of absence.

Vacation Leave

- (195) Employees will be notified as soon as possible but no later than May 1 of each year of the specific planned vacation shutdown weeks for that year. Such dates will be subject to change only when affected by strikes, internal or supplier, or a major event which prevents the scheduled shutdown. An employee who is scheduled to work during the plant vacation shutdown period may be granted a vacation leave for the number of days which the employee desires to take, not to exceed the number of days to which the employee is entitled under the vacation provisions of the Agreement, during the vacation year, **as referenced in Article XIV, Paragraph 7 of this agreement.** This provision shall also apply to an employee who had two (2) weeks vacation during the vacation shutdown and is entitled to further vacation under the vacation provision of this agreement.

School Leave

- (196) An employee with one (1) year or more seniority may be granted a leave of absence to attend school for a fixed period covering not more than two (2) consecutive school years. In the event a fixed period of less than two (2) consecutive school years is only necessary for an employee to complete school, such leave of shorter duration may be mutually agreed upon between the Company and the Union. All school leaves must have a defined starting and expiration date. School is defined as a recognized high school, technical school, college or university.

- (197) The employee applying must comply with the following rules:
- (a) He must submit proof of his enrollment and the name of the school he is attending.
 - (b) The number of hours he is carrying and receipt for his paid tuition.
 - (c) He must maintain good standing in the Union in accordance with the provisions of Article II of this Agreement.
- (198) An employee shall not accrue pension or severance credits while on such leave. Such employee shall be reemployed in line with his seniority but not until and after the expiration of the Leave of Absence except where mutually agreed upon by the Union and plant Management.

Waiver Leave

- (199) Once during the term of this Agreement, a waiver leave of one (1) year may be granted to an employee at the time of recall from layoff, only when there are other employees laid off from the factory seniority group. The sole purpose for a leave of this type is a means for an employee to preserve seniority accrued. It is understood that an employee shall not be able to obtain a waiver leave for a period of incarceration. An employee on such leave shall not accrue severance or pension credits. Such leave shall be canceled when all employees with seniority who are laid off have been recalled to work.
- (200) When an employee desires to take a waiver leave, he must report to the Employment Office and execute, in writing, an application for waiver. If the waiver is granted to the employee, he shall be notified of such fact and of the date such leave is to begin. The employee may not return prior to the expiration of the one (1) year.
- (201) At the conclusion of one (1) year, the employee must either elect to return to work, if seniority permits, or remain on waiver leave. If the employee elects to remain

on waiver leave, the employee shall remain on such leave until all laid off employees within the factory seniority group have been recalled. Upon the employee's return, he will be placed in accordance with his seniority.

ARTICLE X RULES

Paragraph 1—Nondiscrimination

- (202) As part of this agreement, the Company and the Union desire to continue their support of a "fair employment opportunity" policy. Both parties recognize that basic to this policy is an employment practice whereby job applicants and employees are treated without discrimination on the basis of race, color, sex, age, religion, creed, national origin or handicap.

Paragraph 2—Work Week Defined

- (203) The work week shall be deemed to start Monday.
- (204) When an employee is called to work prior to his regular starting time, such time shall be construed as overtime.
- (205) Shifts starting one day and continuing into the next day shall be deemed to be completed on the day on which they started.

Paragraph 3—Conflict with Legislation

- (206) If any provisions of this agreement shall be held invalid or in conflict with any federal or state law, the remainder of the contract shall not be affected. The Company and Union will negotiate necessary revisions in the contract to bring it into compliance with the applicable provisions of the law.

Paragraph 4—Hours of Work

- (207) The hours of work for all employees shall be established by Management. The Union acknowledged that business considerations often require a change of shift starting times.
- (208) It is the policy of the Company to discuss with the Union the need to change shift starting time prior to implementing such change as well as to advise the Union of the reasons for such change.
- (209) Starting and quitting times shall be strictly enforced. Employees reporting to work prior to the start of their shift shall at all times conduct themselves in an orderly manner and shall not disturb other employees who are at work nor interfere with the operations of the plant.
- (210) Eight (8) hours shall constitute a regular work day and the regular work week shall be established as a forty (40) hour full time work week.
- (211) The hours of the working day shall be each divided into ten (10) periods of six (6) minutes each for the purpose of computing the pay of the employees on all in and out clock card rings.

Paragraph 5—Late Entry

- (212) Employees reporting for work after their shift starting time will not, under normal circumstances, be refused admittance because of their tardiness provided they report to work prior to the end of their scheduled lunch period. At management's discretion, employees arriving after their scheduled lunch period may be denied access to the plant. Employees reporting to the plant following their assigned lunch period who are refused admittance will be considered absent.

Paragraph 6—Early Exit Policy

- (213) When an employee gives his supervisor four (4) hours notice that he desires to work less than the full scheduled work day, the employee's request to leave will be honored by the Company, except in the case where more employees have given such notice than can be allowed to leave.
- (214) When the number of employees who give notice of a desire to leave work early would jeopardize the production schedules, jeopardize the work of other employees, or require the adding of additional work to other employees, then only those employees who must leave the plant because of extreme emergency or for the most pressing personal business shall be granted permission to leave. The other employees shall be required to work the full scheduled work day.

Paragraph 7—Cooperation Clause

- (215) It shall be the duty of the Company, the Executive Committee and all employees to cooperate in the strict observance of the rules and paragraphs of this Agreement, to the end that the mutual interest of the parties hereto may be promoted in harmony and cooperation may be maintained at all times.
- (216) The Union agrees, regardless of what disturbances or emergencies may take place, during the life of this Agreement, that they will provide sufficient competent Company employees so that full power plant, electrical shift men and plant protection men will be on duty at all times.

Paragraph 8—Skill Shortages

- (217) The Company may establish schools to develop operators for any operation where there is a possibility that there will be a shortage of skilled or semi-skilled operators.

- (218) The Company may designate the rates of pay, subject to the approval of the Executive Committee.

Paragraph 9—Inplant Injury—Company Responsibility

- (219) When an employee is injured in the plant and after working hours his condition becomes so serious that it seems to him it should be brought to the attention of a doctor, this employee should arrange so that the Toledo Assembly Plant is called and they will either send a car to take this employee to a doctor or authorize the employee to incur the expense of going to a doctor and the Company will assume the cost. When an employee is injured in the plant and is sent home by the Medical Department as a result of that injury, he is to be paid for the remainder of the day. Injury in the plant is that as defined by the Workers' Compensation laws. If the injury occurs during overtime and the employee is sent home by the Medical Department, the employee will be paid for the overtime he was scheduled to work on the day of the injury.

Paragraph 10—Past Practice Clause

- (220) Negotiated practices not covered by this Agreement that have been in effect will continue in effect, except if they are in direct violation of the Collective Bargaining Agreement, unless they are changed by mutual agreement between the Company and the Union. If the parties are unable to reach agreement, the matter will be referred to Corporate Union Relations and the International Union for resolution.

Paragraph 11—Call-in Report Pay

- (221) Employees called to work or reporting at the regular starting time, when they have not been notified that work is not available, except in cases beyond the control of the Company, shall be assigned to jobs and paid the regular rate of such jobs, or their regular rate, whichever

is greater, or shall be sent home and given four (4) hours pay at their hourly rate.

Paragraph 12—Paycheck Shortage

- (222) Upon employee request, pay shortages of five (5) hours or more will be processed by Corporate Payroll Services in time for next day delivery (except Wednesdays, Saturdays, Sundays and Holidays). Best practices at other plants will be shared with Local Management toward reducing or eliminating pay shortages. The Corporation agreed to explore and, if feasible, implement paying the pay shortages by EFT or e-Pay and delivering the corresponding pay statements electronically. Issues may be discussed by the International Union and Corporate Union Relations.

Paragraph 13—Charity Fund

- (223) The Toledo Assembly Plant, UAW, Local 12 (Jeep Unit) Employees Charity Fund, which has heretofore been established pursuant to negotiations between the Company and the Union, shall be continued under the following terms and conditions:
- (224) This fund shall be administered by a Board of Administration of the Charity Fund, which Board shall consist of four (4) members appointed by the Union and four (4) members appointed by the Company. Such Board shall have the authority to receive from the Company all such funds as are collected from employees of the Company. Such Board shall have the authority to receive from the Company all such funds collected from employees of the Company. Eighty percent (80%) of such funds will be distributed to the United Way. The remaining twenty percent (20%) will be disbursed to such charitable purposes as the Board of

Administration of the fund may deem appropriate. These disbursements shall be made on a semi-annual basis (twice per year). The Board of Administration shall meet semi-annually to determine appropriate charitable organizations for fund disbursements.

Paragraph 14—Bulletin Boards

- (225) The Company shall provide glass enclosed bulletin boards where it is mutually agreed that they are required.

Paragraph 15—Definition—Days

- (226) For the purpose of clarification, when days are mentioned in the Agreement, it means "calendar" days unless otherwise specified.

Paragraph 16—Attempt to Provide Steady Employment

- (227) The Company desires to provide steady employment for as many employees as practicable in the Toledo plant. To accomplish the end, it will continue to keep all the work it is now doing in the Toledo plant and before a contract is signed to take any of the work out of plant that is now being done in the plant, the Company will submit to the Executive Committee, in writing the data covering the reasons for this action.
- (228) If the basis of moving such work is equipment and not the cost of running the operation, the Company will make every effort to secure the machinery and keep the work in the plant. Failing to secure such needed equipment, whenever the Company becomes in financial condition to do so, the same issue may be again brought up for negotiations, and it will attempt to bring in work that is now being done on the outside whenever this is practicable at a comparable or lesser cost, it being understood that the cost of additional machinery must be amortized by the savings effected in the manufacture

of a reasonable number of the units that we can expect to manufacture.

- (229) It is also understood that when a patented article that cannot be made in the Company's plant is found to effect savings or be more desirable in advancing the sale of the product than the article manufactured in the Company's plant, the patented article will be procured after complying with the first sections of this paragraph.
- (230) It is further understood that the Company will endeavor to secure additional work of a more diversified nature so that the seasonal slack periods can be eliminated as far as practicable.
- (231) In the view of the mutual benefit to both the Company and the Union by effecting savings in the manufacture of the Company's products in order to make them more competitive and to secure less interrupted operation, the Executive Committee agrees to study from time to time and conscientiously endeavor to meet the costs of any operation brought to the Executive Committee's attention by the Company as being higher than the Company's studies indicate it should be. In such cases, a reduction could be made in the labor cost, notwithstanding any other paragraph in this Agreement.

ARTICLE XI OVERTIME

Paragraph 1—Overtime Scheduling

- (232) The parties have earnestly sought during negotiations of the Agreement dated September 4, 1990, feasible steps that the Corporation might take in scheduling employees for overtime work so as not to impair the Corporation's ability to produce sufficient numbers of quality vehicles that are fully competitive on a world-wide basis.
- (233) The following represents the Agreement reached to permit the Corporation to schedule reasonable overtime to achieve its production needs in a timely manner. Therefore, employees shall be required to work scheduled overtime in accordance with the provisions set forth below:
- a. Overtime hours shall be equalized among employees on the same classification and performing like work on the same shift and in the same department (including holidays).
 - b. Daily overtime will be worked by the employee on the job.
 - c. Daily overtime hours in excess of nine (9) shall be voluntary. When daily overtime work is required, Management will provide three (3) hours notice before the end of the shift. When overtime work is scheduled for Saturday, Management will endeavor to give notice two (2) hours before the end of the shift on Thursday of overtime work on Saturday and to give notice two (2) hours before the end of the shift on Friday of overtime work on Sunday. It is understood that notice of scheduled overtime will be given to the Union at the Executive Committee Room and by bulletin board postings to employees of the affect-

ed department. Failure to give such notice will relieve an employee of the obligation to work overtime. The Local Union and Plant Management shall provide for exceptions to such minimum notice requirements in emergencies or situations in which it is not practical or feasible for management to provide the agreed minimum notice (e.g., breakdowns, interruptions of electric or other essential services, delayed delivery of necessary parts of materials, or other such identifiable emergencies). If the Local Union and the Plant Management are unable to reach agreement as hereinbefore set forth, they shall refer the matter to the International Union and Corporate Union Relations.

- d. When an employee has worked two consecutive Saturdays, the employee may be off the third Saturday provided:
 1. The employee has not been absent on any day during the week proceeding such Saturday.
 2. The employee notifies his supervisor before the end of his shift on (i) the preceding Monday or (ii) any later day of the week on which the employee is notified that he is scheduled to work Saturday.
- e. Overtime work on Sunday shall be voluntary.
- (234) The Corporation may designate for a period of ninety (90) days any component operations in the plant as critical once during the term of the Agreement. Once those operations are designated as critical, overtime for such operation(s) will be required as scheduled. Management will give the Union fifteen (15) days advance notice of its intent to invoke this Agreement.
- (235) The provisions of this Agreement which limit or restrict the right of the Corporation to require employees to work daily overtime or Saturdays shall be ineffective (a)

beginning on a date two (2) additional weeks when supply or other problems interfere with the build-out, and (b) for the week it launches a new model and for three (3) weeks thereafter or until the line speed reaches scheduled production, whichever is later.

- (236) Any right to decline daily overtime or Saturday work that this Agreement confers on any employee may be exercised only by each employee acting separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or employees or the Union or pursuant to any other concerted action or decision. No employee shall seek by any means to cause or influence any other employee to decline to work overtime. Violation by any employee of this Agreement shall, in addition to subjecting him to discipline, nullify for one (1) month his right to decline overtime. The Corporation shall have the right to suspend for a period of two (2) weeks (not including the periods mentioned in subparagraph (235) above) this Agreement that limits or restricts its right to require employees to work daily overtime or Saturdays, or that entitles employees to elect not to work daily overtime or on Saturdays, in the event employees collusively or concertedly refuse to report for overtime work that they have not declined as herein provided.
- (237) The Corporation may suspend the provisions of this Agreement and require employees to work daily overtime or Saturdays if plant operations are interrupted by emergency situations, such as breakdown, government mandated work, power shortage, strike, fire, tornado, flood or acts of God, for a period of time necessary to overcome the emergencies.
- (238) Whenever the Corporation launches a new car line or truck line at the Toledo Plant or assigns for assembly a car line or truck line that is new to the plant, the provisions of this Agreement shall be ineffective for a period

of one (1) year beginning with the start of regular production of such new vehicle. This Agreement shall also be ineffective for six (6) months following the installation and launch of a new press line on those operations affected by the new press line. The Union will be given fifteen (15) day's advance notice of management's intent to suspend this Agreement.

- (239) Whenever the Corporation adds or restores a production shift, the provisions of this Agreement shall be ineffective for a period of six (6) months thereafter.
- (240) There shall be no strike, picketing or other concerted activity with respect to any dispute arising out of this Agreement.
- (241) This Agreement shall not apply to employees working on what are normally classified as seven (7) day operations.
- (242) Daily overtime hours or Saturday or Sunday work that an employee declines or works pursuant to this Agreement shall be deemed "Compensated or Available Hours" within the meaning of the Supplemental Unemployment Benefit Plan.
- (243) In order to implement this Agreement, the corporation may hire temporary part-time employees for straight time, overtime or weekend work.
- (244) If the Director of Region 2B of the International Union and the Corporation so agree, the terms of this Agreement may be suspended for a fixed period of time.

Paragraph 2—Overtime Premium

- (245) Time and one-half will be paid as follows, except as provided in Paragraph 4.
- (a) For time worked in excess of eight (8) hours in any continuous twenty-four (24) hour period, beginning with the starting time of the employee's shift.
- (b) For time worked on Saturday, except when a shift

starts on Friday and continues into Saturday; provided, that hours in excess of eight (8) per day or forty (40) per week on such shift will be paid at time and one-half.

- (246) Double time will be paid as follows, except as provided in Paragraph 4.
- (a) For time worked on the calendar Sunday.
 - (b) For time worked on the calendar holidays designated in subparagraph (327).

Paragraph 3—Holiday Overtime Premiums

- (247) Employees working on holidays shall be credited with actual hours worked in addition to the (8) hours paid because it was a holiday.

Paragraph 4—Seven Day Operations

- (248) Employees working on what are normally classified as seven-day operations will not be paid over-time or premium pay in accordance with Subparagraphs (245) and (246) above, but will be paid as follows:
- (a) Time and one-half for hours worked in excess of eight (8) hours in any continuous twenty-four (24) hour period beginning with the starting time of the employee's shift or in excess of forty (40) hours per week.
 - (b) Time and one-half for time worked on the sixth (6th) day of the employee's scheduled workweek.
 - (c) Double time for time worked on the seventh (7th) consecutive scheduled day whether or not the seven consecutive scheduled days fall in the same workweek.
 - (d) For the purposes of Subsections (b) and (c), a holiday specified in Subparagraph (327) for

which an employee receives holiday pay or on which he performs work will be considered as a day worked. A holiday counted in determining an employee's eligibility for payment pursuant to Subsection (b) may also be counted in determining the same employee's eligibility for payment pursuant to Subsection (c).

- (e) Double time and one-half for time worked on any days on which any of the designated holidays is observed unless the holiday falls on one of the employee's regularly scheduled days off in which event the employee, in addition to his holiday pay under Subparagraph (251), will be paid double time for time worked.
 - (f) Time and one-quarter for time worked on a Sunday that is not compensable at a higher overtime rate under any other provision of this Agreement.
- (249) Employees working on operations which are normally classified as seven-day operations shall receive holiday pay in the event the holiday falls on one of their regularly scheduled days off and they meet the other eligibility requirements of this procedure for paid holiday time; provided, however, that if such employees work on a holiday which falls on their scheduled day of work when such employees are scheduled to work on a holiday and do work, they shall not receive holiday pay under this procedure but shall be paid for time worked in accordance with Subparagraph (248).

Paragraph 5—Seven Day Operations Premium

- (250) Effective September 15, 1997 employees covered by Article XI Overtime Paragraph 4 — Seven Day Operations, shall receive thirty-five cents (35¢) per hour above their base rate for time worked. This premium

shall be included in computing paid vacation, holiday pay, bereavement pay, jury duty pay, short-term military duty pay and any overtime or premium pay.

- (251) **The allowance of overtime or premium pay (other than shift premium) for any hour or part of an hour excludes that hour from consideration for overtime or premium pay on any other basis, thus eliminating any pyramiding of overtime or premium payments.**

Paragraph 6—Irregular Hours

- (252) Employees performing services that require their reporting prior to the regular starting time or remaining on the job for short periods after the regular quitting time shall not receive overtime for such periods where and when such practice is common to the industry or the plant of the Company, with the approval of the Executive Committee.

Paragraph 7—Administrative Procedure Equalization of Overtime Hours (Non-Skilled)

- (253) To assist in the equalization of overtime hours, the following shall apply to all equalization groups:
- (a) Overtime shall be charged as pay hours worked. Example: One (1) hour at time and one-half shall be charged as 1.5 hours. One (1) hour at double time shall be charged as 2.0 hours.
 - (b) On acquiring seniority, an employee shall be charged with the number of hours charged to the employee in the group with the highest number of hours plus one (1) hour.
 - (c) When an employee transfers from shift to shift or from one equalization group to another, he shall be charged with the hours charged to the employee in the group with the highest hours plus one (1) hour.
 - (d) An employee who is offered and permitted to decline an overtime work assignment shall be charged with the hours he would have worked, had

he accepted the assignment.

- (e) An employee absent for any reason shall be charged the number of overtime hours he would have otherwise been scheduled to work.
- (f) An employee who is approved for work by the Medical Department, but with PQX medical restrictions which limit the type of regular work he can do, and there is no available work he can do, shall be charged the number of overtime hours he would have otherwise been scheduled to work.
- (g) A Union representative who returns to his regular job shall be charged with the number of hours charged to the employee in the group with the highest number of hours plus one (1) hour.
- (h) An employee who accepts an overtime work assignment and fails to report due to an unexcused absence, shall be charged double on the overtime equalization.
- (i) Overtime equalization charts will be posted in a mutually agreed location in each department.
- (j) When practicable, management will endeavor to the best of its ability and consistent with the operation needs of the department, schedule the employee performing like work in the same classification the shift in the department with low overtime hours provided such employee has the ability to perform the available work.
- (k) When Saturday, Sunday or Holiday overtime is required and where a group of employees hold the same classification on the same shift in the same department are regularly assigned to a like job or operation, the employee possessing the least number of hours in the equalization group will be afforded the opportunity to work the available overtime, provided such employee has the ability to perform such work.

- The Company and Union may agree to establish new or alter existing overtime equalization groups for good business reason if the need arises.
- (255) **Additional overtime provisions are included in the 2003 Operational Understandings Addendum (Subparagraph 100 of this agreement).**

ARTICLE XII TIME STUDY AND STANDARD HOURS

Paragraph 1—General

- (256) The time allowed for performing an operation shall be the time necessary for a normal operator to perform an operation working at a normal pace, taking into consideration the quality of workmanship required with the necessary allowances including fatigue.
- (257) From time to time the Chairman of the Executive Union Committee may feel that certain operations which do not have an established standard should have priority to be time studied. If so, the Chairman shall submit such priority in writing to the Supervisor of Union Relations. Such priority must be reasonable and practicable. A Company Industrial Engineer will then be assigned to begin the time study within five (5) working days unless a delay is mutually agreed to by the Chairman of the Executive Committee and the Supervisor of Union Relations.
- (258) The Company will notify the Union of any production schedule changes.

Paragraph 2—Time Studies

- (259) When a time study is to be made for the purpose of setting a standard, the steward representing the area shall be notified twenty-four (24) hours prior to commencing the time study. Deviations shall be subject to mutual agreement.
- (260) In addition, the employee on such job shall be notified and the Industrial Engineer will introduce himself for identity purposes at the time the study is to be made.
- (261) If necessary the employee will be instructed by the supervisor as to the prescribed method before the study is started.
- (262) At no time will there be any dispute between the Company and the Union about time studies until the above paragraphs have been carried out.
- (263) When a work standard is established or when a standard is disputed and settled it shall remain unchanged and not subject to dispute again unless and until the operation is changed in method, layout tools, equipment, process, materials or product design.
- (264) If an operation is changed for one of the reasons listed in Subparagraph (263) above, it shall be retimed in its entirety. Only the standards on those elements of work that have changed will be revised with all other elements in the operations remaining unchanged.
- (265) While an Industrial Engineer is taking a time study, the Company supervisor and the steward who may be present shall not interfere with the time study being taken in any way. If either has any questions regarding the study, such questions may be clarified only after the study is completed.
- (266) No observation, or logging for the purpose of taking a time study or determining manpower requirements will be done without the steward being notified. If subsequent observation or logging is done after the original, the reason must be given.

Paragraph 3—Estimated Standards

- (267) The Company will set standards as expeditiously as possible. Upon request, the Company will advise the Union as to the reasons for the delay at the time the Company is ready to set the standard.
- (268) An estimated standard will not be re-estimated unless the operation is changed in method, layout, tools, equipment, process, materials or product designs.
- (269) When a standard is not established an employee who is following the prescribed method and using the tools provided in the proper manner and performing at a normal pace shall not be disciplined for failing to meet production standards.

Paragraph 4—Man Assignments

- (270) A new or changed man assignment shall be reviewed with the department steward prior to implementation at times other than launch periods or line speed changes. The employees affected shall be tendered a copy of the new or changed man assignments. Before normal, repetitive work is added to an employee it will be added to the man assignment and reviewed with the department steward. This also will be at time other than launch periods or line speed changes.
- (271) When the standard hours do not equal an even number of employees on line or group operations due to a change in schedule, the Company will provide the necessary fractional part of an employee. In such instances, the employee will be given other duties to provide a full day's work.

Paragraph 5—Conveyors

- (272) The speed of production conveyors upon which operations are performed will be designated in the standards and locked.
- (273) Where a line speed fluctuation is a problem, such line will be timed on a regular basis to assure proper line speed.

- (274) When the production of a conveyor is interrupted and as a result the parts that are required for the rest of the plant off the conveyor are not produced, it is agreed that whenever it is practical, the speed of the conveyor, when it starts up, can be increased to such an extent and for such a duration of time as is mutually agreed upon by the superintendent and the Committeeman, and it shall be locked in the position by the area Industrial Engineer for the time agreed upon so that the production of the entire plant will not be curtailed for the time that the conveyor was interrupted.
- (275) Locks will be placed on conveyor controls and the key shall be in the possession of the area Industrial Engineer.

Paragraph 6—Model Mix Variation

- (276) In the event a variation in the normal model mix takes place on a moving conveyor line which would prevent an employee from meeting his production standard, the Company shall make the necessary compensating adjustments. If the Company is unable to make the necessary compensating adjustments, the employee shall not be disciplined for failure to meet his production standard. Whenever possible the Company will notify the Union of a variation in the normal model mix prior to implementation if the Company has knowledge of it.

Paragraph 7—Production Standards Disputes

- (277) The Union shall have the right to process grievances on production standards disputes in the following manner:
- (278) Step 1 The employee shall notify his steward and supervisor of the problem and jointly they shall attempt to resolve the dispute.
- (279) Step 2 If the dispute is not resolved in Step 1; the dispute shall be put in writing on a grievance form. The

Senior Industrial Engineer and Superintendent along with the Executive Committeeman and Steward shall then attempt to resolve the grievance. If the matter is not resolved, the Company Senior Industrial Engineer shall state on the grievance his answer to the dispute.

- (280) Step 3 Production standards disputes not resolved in Step 2 of this procedure may be referred to the Unit Chairman and Supervisor of Union Relations for disposition. The Unit Chairman and Supervisor of Union Relations shall make every effort to resolve the dispute utilizing the services of the Industrial Engineering Manager, Executive Committeemen and Steward.
- (281) Step 4 Disputes not resolved in Step 3 shall be referred to the Regional Representative of the Union and General Management of the Company who shall meet on the matter and take every action possible to resolve the issue, including the International Union through the Corporate Union Relations Department requesting an Industrial Engineer from the Corporation and an Industrial Engineer from the International Union to give their technical assistance in resolving the grievance. In that event, the Industrial Engineers shall give their prompt attention to the matter. In the presence of a Local Union representative or representatives, they will compare their studies and computations to determine the area of difference, if any, in order to expedite resolving the grievance. The International Union and Corporate Union Relations will arrange for the participation of the Union's Industrial Engineer. It is further understood that the above procedure in no way denies the authority or presence of Union and Company representatives that function in the regular grievance procedure. This procedure is outlined solely for the purpose of expediting production standard disputes with involvement of Union and Company qualified representatives relative to time standards who shall have the authority to resolve such matters.

- (282) When a grievance over a work standard has been answered in the last step of the grievance procedure and the Union has given notice to the Corporation as provided in Article V of this Agreement, with respect to that grievance the negotiations pursuant to such notice shall, whenever feasible, take place at the local plant where the operations in dispute can be readily observed.

ARTICLE XIII HEALTH AND SAFETY

Paragraph 1—Commitment

- (283) The Company is committed to assure the prevention, correction, and elimination of all hazardous and unsanitary conditions in its plants.
- (284) The Union can expect the Company to comply with all laws governing Health and Safety.

Paragraph 2—Joint Safety Committee

(285) Composition

A Local Joint Committee on Health and Safety, hereinafter referred to as the Local Committee, will be established in the plant, consisting of one (1) representative appointed by the Plant Management and one (1) representative appointed by the Director of Region 2B. The maximum number of hours per week in which the Union member of the Local Committee will be allowed to perform his functions shall be determined on the basis of the number of hourly employees in the plant in accordance with the following schedule:

<u># Employee</u>	<u>Hours per Week</u>
600 or more	40
250-599	8
less than 250	4

(286) Area of Responsibility

The Steward in each district and/or the appropriate member of the Executive Committee for such district, will conduct a weekly tour to determine whether safe, healthful and sanitary conditions are being maintained. The Union Representative shall report to the Union member of the Committee any conditions which of the Committee will conduct an investigation of those matters contained in the reports of the various Union Representatives. Those matters not resolved as a result of such investigation may be placed on the agenda of the weekly Third Level grievance meeting between the Supervisor of Union Relations and the Chairman of the Executive Committee. The above procedure shall not preclude the filing of a health and safety grievance at the first level of the grievance procedure. The primary responsibility of resolving differences involving health and safety matters remains with plant supervision and the local Union Representatives. Joint Safety Committee Responsibilities include: Reviewing accidents, their cause and prevention, safety and sanitation in the plant. Reviewing grievances involving health and safety.

(287) It is the intent of the parties that any problems regarding Health and Safety will be resolved by the local Joint Committee without resorting to initiating governmental inspections.

(288) Accompany Governmental Health and Safety Inspectors and International Union Health and Safety professional on plant inspection tours. Also accompany Corporate Health and Safety professionals on regular surveys at the plant and surveys requested by the Union. Advance arrangements should be made to permit participation in such surveys.

Paragraph 3—Safety Equipment

(289) The Company will provide the use of sampling and monitoring equipment to the Union Safety Representative for measuring noise, air contaminants, and air flow.

(290) In addition the Company shall provide the necessary protective devices such as boots, aprons, coveralls, raincoats, gloves, goggles, etc. without cost that are deemed necessary to properly protect the employees from injury, sickness and causes hereof providing employee returns the worn out article to be replaced by new ones and where an employee does not use the protective devices furnished, he shall not be allowed to work without them.

Paragraph 4—Safety Training

(291) The Company will provide the new and ongoing training programs and procedures regarding health and safety will be provided to the Union member of the Local Committee.

(292) The Company will provide annual training for members of the Local Committee and appropriate education and training in health and safety for all employees. In addition to initial instruction, members of the Local Committee will receive specialized training appropriate to the nature of the work performed in the plant. The International Union's Chrysler Department will be provided the opportunity to review and participate in such training or instruction programs and make necessary and desirable recommendations. The Company will provide additional joint health and safety awareness, hazard recognition and technical skills of its employees covered under the terms of this Agreement. Jointly developed training efforts will be initially concentrated in the following areas: i) Hazard Communication Training, ii) Skilled Trades Safety Training, iii) Union Representative and Supervisor Training and iv) Local Health and Safety Committee Training.

Paragraph 5—Medical Facilities

- (293) The Company will provide adequate medical facilities and trained personnel for said facilities.
- (294) In addition the Company will provide medical services, physical examinations, and other tests as required by law, without cost to the individual worker, to determine whether the worker's health is being affected by exposure to toxic agents.

Paragraph 6—Facility Maintenance

- (295) The Company will provide the following:
- (a) Clean, well lighted areas for break periods and lunch hours, as well as adequate cafeteria facilities.
 - (b) Clean, well kept toilet facilities.
 - (c) An adequate number of water fountains.
 - (d) Company will maintain parking lots as needed.
 - (e) Proper heating and ventilating and/or exhaust systems will be installed and maintained as needed.

Paragraph 7—Health and Safety Forms

- (296) The Company will provide adequate means (forms) for the Union member of the Local Committee to submit written health and safety requests and that a specific time limit—seven (7) days, or as soon as possible, be established for a written reply to the request.

Paragraph 8—Hearing Conservation Program

- (297) The Company will provide a comprehensive and continuous hearing conservation program to consist of the following:
- (a) An inplant noise survey in areas as needed or requested by the Union member of the Local Committee.
 - (b) Audiometric testing to be conducted on all employees as required by law.
- (298) The Company will refer all excessive noise level

reports to Plant Engineering and a report of corrective measures to be taken will be submitted to the Union member of the Local Committee.

Paragraph 9—Disclosure and Right to Investigate

- (299) The Company will disclose to the Union member of the Local Committee upon request, the identity of any known harmful physical agents or toxic materials to which workers are exposed. It will disclose the antidotes and remedies for these materials.
- (300) The Union member of the Local Committee shall also have the right to conduct his own studies and to make measurements of plant air quality, noise, light and ventilation, as well as to review lost time accidents and other major accidents, and review plant safety reports on such accidents and make any necessary or desirable recommendations. The Union member of the Local committee shall also, upon request, receive a copy of the plant's OSHA Summary of Occupational Injuries and Illnesses, and copies of governmental inspections and citations, and the total man hours worked and the incidence rate for the comparable period in order to calculate accident and disease rates.
- (301) The Union Health and Safety Representative will have the right to promptly investigate major accidents. When such events occur during 2nd and 3rd shift, the Company will notify the Union member of the Local Committee and inform him of the fact.
- (302) The International Union staff shall have the right, at the request of the Union and Regional Office, to make health and safety studies and surveys, and to investigate accidents upon reasonable notice to the Company. The Company will receive copies of reports of said surveys, upon request.
- (303) The parties will jointly establish a procedure to allow the Local committee to jointly review new plant lay-

outs, new manufacturing equipment and major process changes where employee health or safety may be affected.

- (304) The parties will arrange for regular surveys at the plant by the Corporation's Industrial Health and Safety Staff and provide special surveys at the request of either plant management or the International Union. Such survey reports, including recommendations for the correction of identified overexposure or unsafe conditions, will be provided to the International Union and to the Union member of the Local Committee. The Union member of the Local Committee shall be allowed to accompany health and safety specialists whenever hired by the Corporation to perform the functions normally performed by the Corporation's Industrial Health and Safety Staff. Such specialists' reports, including recommendations for the correction of identified overexposure or unsafe conditions, will be provided to the International Union and to the Local Union.

Paragraph 10—Employee Responsibility

- (305) No employee shall be required to work on a job or machine with which he is unfamiliar until he shall have received prior instruction and training in the performance of the job.
- (306) Company and Union will have all employees observe all safety rules and use all equipment and safeguards provided.

Paragraph 11—Prescription Safety Glasses

- (307) The Company will provide prescription safety glasses to seniority employees working on a job or in an area where eye protection is a Company requirement provided the employee furnishes a prescription from his own doctor or optometrist. The Company will replace such glasses if damaged by a cause attributable to the

employment or if the employee presents a new and different prescription from his doctor or optometrist. The Company will establish the standards and specifications for the frames and lenses and will select the manufacturing sources.

Paragraph 12—Safety Shoes

- (308) The Company will pay the first \$12.00 for safety shoes, provided they are purchased from a Company designated supplier. The employee is limited to two (2) pair over a twelve (12) month period.

Paragraph 13—Lockout Tagout Program

- (309) It is recognized by both parties that an effective lockout/tagout program as required by the Corporation's mandatory safety Manufacturing Technical Instruction "Safety Lockout Procedure for Machines and Equipment" can only be implemented at the plant level. In order to remain effective, this program must be reviewed and reemphasized.
- (310) The Corporation will instruct the management of each plant to review, upon request, the plant's program with the Local Joint Committee on Health and Safety and Plant Shop Committee. It is understood that the Committees will have ample opportunity to discuss the program and make appropriate recommendations to improve upon it. There shall be an effective lockout/tagout program in each plant.

Paragraph 14—Work in Isolated Areas

- (311) When work assignments involve work situations hazardous to an employee, appropriate precautions will be taken in accordance with safe work practices, including air sampling and ventilation when necessary, communications systems, personal surveillance arrangements, and, as required, adequate support personnel. Mutually satisfactory practices in existence will remain unchanged.

Paragraph 15—Aisleway Maintenance

(312) Aisles in the plant will be maintained in accordance with all applicable laws regarding Health and Safety, as are related to our operations at the Toledo Assembly Plant.

Paragraph 16 — Air Contaminants - Fit and Finish Area

(313) The parties discussed at length the potential for exposure to exhaust fumes within the Fit and Finish area. The Corporation advised the Union of the following:

The Fit and Finish area will be tested to ensure that air contaminants are within the permissible exposure limits (PEL) allowed by OSHA;

A Standard Work Instruction will be issued requiring the vehicle's engine be shut off after the vehicle is driven in position;

Future engine programs will be monitored by Corporate Industrial Hygiene before being released to production to endure that engine exhaust emissions are below the PEL; and

Any processes found to exceed the OSHA permissible exposure limits will be corrected in an expeditious manner.

Paragraph 17 — Preventive Maintenance (Ventilation Systems)

(314) The Company will prepare a letter for distribution to all locations within two (2) weeks of the effective date of the new Collective Bargaining Agreement stressing the need and importance of established preventive maintenance programs with regard to safety-related items and ventilation systems. An updated written program will be reviewed and

signed by the Co-Chairs of the LEPC at a monthly safety review board meeting. The signed program will then be submitted to the NJC for review.

Paragraph 18 — Ergonomics

(315) During the current negotiations, the parties discussed the comprehensive ergonomics program covering the Toledo Assembly Plant. The Corporation explained to the Union that Advance Manufacturing Engineering (AME) has developed a set of internal guidelines for ergonomics. These guidelines are contained within the "DaimlerChrysler Do's and Don'ts for Tool Design Standards" will be reviewed with the UAW DaimlerChrysler Department and the International Union.

Further, the parties understand the importance of implementing sound ergonomic guidelines at the earliest stages of the product/process development cycle. In that context, Design and Process personnel, including suppliers, will review the principles of the "DaimlerChrysler Do's and Don'ts" and take them into account when working on advance programs. The Corporation will review the internal guidelines for ergonomics with the NJC every six (6) months.

The parties agreed that to facilitate proper control, training and communication of ergonomic factors, the various phases of the jointly developed ergonomics program will be applied to all bargaining Unit employees at all UAW represented facilities.

(A) Coordination of Activities

The Local Joint Health & Safety Committee (LJHSC) shall coordinate its ergonomic activities under the direction of the NJC with coordi-

nation of Corporate Occupational Safety and Health (OSH) and Advance Manufacturing Engineering (AME) ergonomic activities and provide on-going technical support to plant/PDC ergonomic efforts. Such support may include:

- a. Data collection and analysis
- b. Job analysis methodology
- c. Advanced job modification design
- d. Training for Ergonomics personnel
- e. Training for Engineering personnel
- f. Training for Medical staff in medical data management
- g. Communication of solutions/failures to other facilities
- h. Ergonomics program evaluation analysis and follow-up

The NJC will use the Corporate OSH Staff to coordinate activities and disseminate information, as required, to facilitate on-going ergonomics efforts. The NJC will make recommendations to the LJC regarding resources needed to implement these activities. Corporate OSH and AME shall report to the NJC, summarizing current ergonomics activities and future plans on a quarterly basis.

(B) Local Ergonomics Committees

Toledo Assembly Plant will establish a Local Ergonomics Committee with the objective of introducing and exploring ways to reduce injuries and illnesses through the application of sound ergonomics principles. Upon request, the NJC shall assist the Ergonomics Committees in determining proper allocations of resources. The Local Health and Safety representatives will serve as Co-Chairpersons of the

Local Ergonomics Committees as specified in the appropriate NJC directive. In the event Corporate Health and Safety representatives and/or Regional Safety/Ergonomic remediation specialists visit a facility to work on an ergonomic issue, they will coordinate their activities with the Local Co-Chairpersons.

Given the effect that ergonomic injuries may have on employees and the costs associated with Workers' Compensation, and to address the interrelationship between Workers' Compensation and ergonomic injuries, the Parties agreed to the following:

1. One (1) of the facility's Health & Safety trainers will be allowed time away from their job to perform ergonomic functions and to assist in reducing Workers' Compensation costs and be a member of the Local Ergonomics Committee.
2. The Local Ergonomics Committee shall continue to function as initially established, and the local parties, including the Local Employee Participation Council (LEPC), are encouraged to ensure their committees are active and performing their intended responsibilities. A quarterly report of their activities will be submitted to the NJC.
3. This individual's duties are to be determined by the NJC.
4. Tools used in analyzing jobs shall include ErgoPAL to identify general risk factors, the NIOSH 1981 Lifting Formula to look at lifting and lowering conditions, the Snook-Cirello Tables to evaluate push and pull motions, and the DaimlerChrysler manufacturing engineering ergonomic guidelines, and elements contained in the new Early Warning SPEEDLINK (PDA's to be purchased by the Toledo Assembly Plant) Letters. Additional requirements

will be assessed by the Joint Study Committee defined in Letter 162 and reviewed by the NJC for approval.

5. The NJC shall annually review the program's performance and effectiveness and make appropriate modifications as required.

(C) Control Measures and Skilled Trades

The parties agree, to the extent possible, to encourage the use of all reasonable control methods to prevent musculoskeletal disorders (MSD's). Ergonomic remediation efforts may be based on the results of a variety of tools, including job analysis. Job analysis on skilled trades' jobs will be performed as required. Members of the Local Ergonomics Committee will consider solutions within a combination of feasible controls such as:

- a. Re-design or re-orient parts, tools and equipment
- b. Use of mechanical devices or power tools
- c. Provide adjustable fixtures and work surfaces
- d. Job re-design

As interim measures pending engineering changes, or where engineering changes are limited in controlling risk factors, administrative controls and feasible work practices will be implemented. Members of the ergonomics committee could consider solutions for reduction of repetitive motions within a combination of feasible administrative controls such as job sharing and job rotation. The recommendations of the Local Ergonomics Committee shall be mutually agreed upon with the Plant Shop Chairman and the Labor Relations Supervisor. Problems not resolved at the local level will be forwarded to the National Joint Committee for final resolution. Jobs considered potential candidates for administrative control practices will be reviewed by the health and safety train-

er/ergonomic analyst to determine that the original condition will not be further aggravated. Any type of control established should be evaluated after three (3) months of its implementation to confirm its effectiveness.

(D) Job Analysis and Time Lines

Jobs will be identified as candidates for analysis by reviewing injury/illness and lost time data, including the "54-08" Report and appropriate OHM report(s). A good faith effort shall be made to conduct an initial job analysis, as required, within two (2) months of when a job is identified as having a potential MSD risk factor. Each facility will use a documentation process to record progress with ergonomic modification efforts. In that regard, a monthly report will be required of the Local Ergonomic Committee to be forwarded to Corporate OSH and the UAW DaimlerChrysler Department. Each facility shall implement feasible measures to control MSD risk factors. A good faith effort will be made to implement ergonomic solutions within a six (6) month time frame after the Local Ergonomics Committee determines that corrective action is required and it prioritizes the remediation. The parties acknowledge that there may be times when it may take longer than six (6) months to make the proper correction, and the reasons need to be documented. The Local Ergonomics Committee is to develop a "top five" list of the most concerning jobs requiring remediation. Factors to be considered for placing a job on the "top five" list shall include injury rates, ErgoPAL scores, lost work time rates and investment cost paybacks. The LEC will work aggressively to find practical, feasible, economical solutions to the "top five" list. In the event that a Local Ergonomics Committee believes that a facility is not making proper technical resources

from the plant available, it should raise the issue with the LEPC. If not resolved, the matter should be referred to the National Employee Participation Council (NEPC) for immediate resolution.

(E) Ergonomic Support Equipment

Seats, chairs and mats are considered appropriate solutions to control ergonomic risk factors. The Corporation agrees that it will not remove ergonomic support equipment that is currently in use for ergonomic reasons without mutual agreement with the Local Ergonomics Committee.

(F) Program Management

The Corporation will continue to support a medical management program for early detection, treatment and placement of employees with MSD's.

The NJC will continue to review and, when necessary, revise audit procedures in an effort to ensure the effectiveness of the ergonomic process. The NJC will also review periodic reports of the occurrence of cumulative trauma from all UAW represented facilities. Problems arising regarding the proper functioning of Local Ergonomics Committees may be referred to the NJC for review and resolution by appropriate Corporate and Union representatives.

The NJC will continue to develop and sponsor an annual conference, subject to the Joint Activities Board approval, for all designated Local Ergonomics Committee members to disseminate information about state-of-the-art application, to review project funding procedures and other ergonomic administrative matters and to share information on successful local ergonomics projects.

Acceptable new methods of employee training, medical evaluation, and Ergonomics Committee training will be

evaluated and implemented by the NJC, as appropriate, to assure efficient control of MSD's. New workable ergonomic concepts, including specific technical information, will be distributed by the NJC to all UAW-represented plants. A video library of corrective actions taken regarding ergonomic problem areas, by various DaimlerChrysler facilities with documentation for dissemination to facilities will be maintained at the National Training Center.

The parties recognized that ergonomic activities are being conducted at many DaimlerChrysler facilities, including ergonomics committees established during the previous agreements. It is not the intent of the parties to reduce any currently existing efforts in ergonomics.

This procedure shall not preclude the filing of a Health and Safety Grievance at Step 1 of the Grievance Procedure.

The parties are hopeful that by providing these resources, positive gains in employee morale, injury rates, quality and costs will be realized.

ARTICLE XIV ECONOMIC PROVISIONS

Paragraph 1—Rates of Pay

(316) The Rate Manual covering the employees who fall under this agreement shall be made available in a separate book. Copies will be provided to appropriate Union and Management representatives.

(317) Employees shall be classified and paid in accordance with the Wage Classification Table in the Rate Manual. Employees who perform a job covered by a former classification code paid a higher wage rate than the wage rate for the applicable new classification shall continue to be paid the wage rate for the former classi-

fication while performing that job. When an employee leaves that job, he is paid the rate applicable for the new classification and is no longer entitled to the higher wage rate. Wage increases for employees who are paid a higher wage rate in accordance with this red circle provision shall be calculated using the rate for the applicable new classification.

- (318) When a new job is placed in production and cannot be properly placed in an existing classification, the Corporation will set up a new classification and a rate of pay for that job. A written notice of the classification, rate of pay, and effective date of the classification and rate of pay will be given to the Region 2-B Director.
- (319) If the Region 2-B Director disagrees with the new classification or the rate of pay, the Region 2-B Director and the Corporation shall thereafter negotiate the protested classification or rate of pay. If a rate of pay is negotiated that is higher than the rate established by the Corporation, the negotiated rate shall be applied retroactively not more than 30 days from the date of settlement.
- (320) If the Region 2-B Director does not notify the Corporation, as provided above, the classification and rate of pay shall be deemed to be satisfactory to the Region 2-B Director and there shall be no appeal thereafter.
- (321) In the case of the new employees, he shall receive the rate of pay specified in the contract as a starting rate for that job. He shall then receive increases in accordance with the steps in that particular job.

Paragraph 2—Rates-Union Representatives

- (322) The rate of pay for stewards engaged in Union-Company activities shall be the rate of pay they would have received had they stayed on the jobs they were on when they were assigned to the Union-Company activ-

ities, but in no case shall they be paid any day for more hours than they would have been paid had they worked on their regular job, nor shall they be paid overtime unless they would have worked overtime on the jobs they were taken from, without the approval of the Supervisor of Union Relations.

Paragraph 3—New Hire Rates

- (323) New hire employees hired on or after October 18, 1993, will be paid seventy percent (70%) of the full base rate of their job classification. They will receive increases in accordance with the following table:

<u>Hours Worked</u>	<u>Percent of Full Base Rate</u>
0	70%
1040	75%
2080	80%
3120	85%
4160	90%
5200	95%
6240	100%

- (324) Non-skilled employees in wage progression will receive credit for weeks worked for purposes of wage progression, provided they would otherwise have been scheduled to work such week(s), for:
 - (a) the full Christmas holiday week,
 - (b) time lost due to compensable injury or legal occupational disease, and
 - (c) full weeks spent on vacation leave of absence.

Paragraph 4—Shift Premium

- (325) All employees who are required to work the second shift shall be compensated at the rate of an additional five percent (5%) per hour, and all employees who are required to work the third shift shall be compensated at

the rate of an additional ten percent (10%) per hour, over the rate that is paid to the day worker on the same job, except shift employees.

Paragraph 5—Additional Compensation Days
(326) Birth Date

(a) Employees who are on the active employment rolls, with at least one (1) year of seniority by February 1st of 2003, 2004, 2005, 2006 2007, 2008, 2009, 2010, and 2011 shall be eligible for their birthday date as a **holiday**, subject to the eligibility requirements and limitations contained in Article XIV, Paragraph 6, subparagraphs (328), subsections (a) through (e).

(b) Employees may receive pay in lieu of time-off or time-off with pay for the birthday holiday.

(c) Pay provisions for the birthday holiday are as follows subject to the eligibility requirements and limitations contained in the Article XIV, Paragraph 6, subparagraphs (328), subsections (a) through (e):

- Birthdays falling during the first or second week of a scheduled plant summer shutdown shall be paid on the check for the pay week following the employee's return from the summer shutdown period.

- Birthdays falling on a day outside the summer shutdown period shall be paid on the check for the pay week in which the employee's birthday date falls.

(d) Time-off provisions for the birthday holiday are as follows subject to the eligibility requirements and limitations contained in the Article XIV, Paragraph 6, subparagraphs (328), subsections (a) through (e):

- Birthdays falling on a normally scheduled workday (including weekdays, weekends, designated holidays,

or summer shutdown) may be observed on the employee's birthday date provided the employee requests the day at least one (1) week in advance of the birthday date.

- Birthdays falling on a non-scheduled Saturday, Sunday or designated holiday (not including the Christmas Holiday Period) may be observed in the workweek immediately following the employee's birthday date or another mutually agreeable date provided the employee requests the day in advance of the birthday date.

- Birthdays falling on a non-scheduled day during the Christmas Holiday Period or the first or second week of a scheduled plant summer shutdown may be observed within the three workweeks immediately following the normally scheduled return from the Christmas Holiday or summer shutdown period or another mutually agreeable date provided the employee requests the day in advance of the birthday date.

(327) Designated Holidays

FIRST YEAR

November 27, 2003
November 28, 2003
December 24, 2003
December 25, 2003
December 26, 2003
December 27, 2003
December 29, 2003
December 30, 2003
December 31, 2003
January 1, 2004

Thanksgiving Day
Day After Thanksgiving
Christmas Holiday Period

January 2, 2004
 January 19, 2004
 April 9, 2004
 April 12, 2004
 May 31, 2004
 July 5, 2004
 September 6, 2004

SECOND YEAR

November 2, 2004
 November 25, 2004
 November 26, 2004
 December 24, 2004
 December 27, 2004
 December 28, 2004
 December 29, 2004
 December 30, 2004
 December 31, 2004
 January 17, 2005
 March 25, 2005
 March 28, 2005
 May 30, 2005
 July 4, 2005
 September 2, 2005
 September 5, 2005

THIRD YEAR

November 8, 2005
 November 24, 2005
 November 25, 2005
 December 26, 2005
 December 27, 2005
 December 28, 2005
 December 29, 2005
 December 30, 2005
 January 2, 2006
 January 16, 2006

Martin Luther King, Jr. Day
 Good Friday
 Day After Easter
 Memorial Day
 Independence Day
 Labor Day

Federal Election Day
 Thanksgiving Day
 Day After Thanksgiving
 Christmas Holiday Period

Martin Luther King, Jr. Day
 Good Friday
 Day After Easter
 Memorial Day
 Independence Day
 Floater Day
 Labor Day

Election Day
 Thanksgiving Day
 Day After Thanksgiving
 Christmas Holiday Period

Martin Luther King, Jr. Day

April 14, 2006
 April 17, 2006
 May 29, 2006
 July 3, 2006
 July 4, 2006
 September 4, 2006

Good Friday
 Day After Easter
 Memorial Day
 Before Independence Day
 Independence Day
 Labor Day

FOURTH YEAR

November 7, 2006
 November 23, 2006
 November 24, 2006
 December 25, 2006
 December 26, 2006
 December 27, 2006
 December 28, 2006
 December 29, 2006
 January 1, 2007
 January 15, 2007
 April 6, 2007
 April 9, 2007
 May 28, 2007
 July 4, 2007
 September 3, 2007

Federal Election Day
 Thanksgiving Day
 Day After Thanksgiving
 Christmas Holiday Period

Martin Luther King, Jr. Day
 Good Friday
 Day After Easter
 Memorial Day
 Independence Day
 Labor Day

Paragraph 6—Holiday Eligibility Rules

(328) Employees will be subject to the following holiday eligibility rules:

The Corporation agreed that during the term of the 2003 Agreement eligible employees entitled to the basic payment in lieu of vacation would receive such payment on the following dates:

May 21, 2004
 May 20, 2005
 May 19, 2006
 May 18, 2007

Employees will be paid for eight (8) hours at their regular straight-time hourly rate inclusive of shift premium, but

exclusive of overtime premium for the designated holidays provided they meet all of the following eligibility rules unless otherwise provided herein:

- (a) the employee has seniority as of the date of the holiday,
- (b) the employee would otherwise have been scheduled to work on such day if it had not been observed as a holiday, and
- (c) the employee must have worked the last scheduled working day prior to and the next scheduled working day after such holiday within the scheduled workweek. An employee excused by management from work on the last scheduled working day prior to or on the next scheduled working day after such holiday within the scheduled workweek, shall be deemed to have met the requirements of this Paragraph (c); except that in the case of holidays which fall in the holiday period starting December 24 through the following January 1, the employee must have worked the last scheduled working day prior to, and the next scheduled working day after, such holiday period, regardless of the workweek in which the scheduled working days fall.

- (d) Employees will be called in to work only in emergencies on the following days which are not paid holidays under this Agreement:

Saturday, December 27, 2003
 Sunday, December 28, 2003
 Saturday, January 3, 2004
 Sunday, January 4, 2004
 Saturday, December 25, 2004
 Sunday, December 26, 2004
 Saturday, January 1, 2005
 Sunday, January 2, 2005
 Saturday, December 24, 2005

Sunday, December 25, 2005
 Saturday, December 31, 2005
 Sunday, January 1, 2006
 Saturday, December 23, 2006
 Sunday, December 24, 2006
 Saturday, December 30, 2006
 Sunday, December 31, 2006

Employees shall not be disqualified for holiday pay, if otherwise eligible for such pay, if they decline a work assignment on one or more of the above days.

The foregoing provisions shall not apply to employees assigned to (1) seven-day operations; (2) third shift Sunday night start operations; and (3) a shift which starts on Friday and continues into Saturday.

- (e) Employees paid on an incentive basis will be paid at their average straight-time earned rate including shift premium and day work earnings, but exclusive of overtime and any other premiums, in the last four (4) pay periods in which the employee worked immediately prior to the workweek in which the holiday is observed.

Paragraph 7—Payment in Lieu of Vacation and Paid Absence Allowance

(329) Payment Schedules

- (a) On May 1 of each year the Corporation will establish basic payment in lieu of vacation with pay and provide a paid absence allowance to eligible hourly employees who have worked for at least 26 pay periods in the vacation eligibility year (the year including the pay period in which April 30 occurs and the preceding 51 periods) as follows:

Seniority on May of the Vacation Eligibility Year	Basic Payment In Lieu of Vacation With Pay	Paid Absence Allowance
1 but less than 3 years	40 hours	40 hours
3 but less than 5 years	60 hours	40 hours
5 but less than 10 years	80 hours	40 hours
10 but less than 15 years	100 hours	40 hours
15 but less than 20 years	120 hours	40 hours
20 or more years	160 hours	40 hours

The number of hours of the basic payment in lieu of vacation with pay and paid absence allowance to which an eligible employee shall be entitled shall be based on the employee's seniority on May 1 of the vacation eligibility year and the number of pay periods during which he worked during the eligibility year.

- (b) An eligible employee shall be entitled to a percentage of the above basic payment in lieu of vacation with pay and of the above paid absence allowance as follows:

Pay Periods Worked in the Vacation Eligibility Year	Percentage of Payment
26 or more	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

- (c) A seniority employee with less than one (1) year of seniority on May 1 of the vacation eligibility year who has worked for at least 26 pay periods in the vacation eligibility year will be eligible for a forty (40) hour basic payment in lieu of vacation with pay.

A seniority employee who has worked at least 13 but less than 26 pay periods shall be entitled to a basic payment in lieu of vacation with pay according to the following table:

Pay Periods Worked in the Vacation Eligibility Year	Percentage of Payment
26 or more	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

- (d) (i) The above basic payments in lieu of vacation with pay shall be computed at the employee's straight-time hourly rate on his last day worked prior to May 1 of the vacation eligibility year exclusive of overtime premium, but including shift and seven-day operations premiums and the amount of any cost-of-living allowance in effect on May 1 of the vacation eligibility year.

For employees paid on an incentive basis such payment shall be computed at the employee's average

straight-time earned hourly rate, including day work earnings and shift premium, but exclusive of overtime premium, in the last 26 pay periods worked or such fewer pay periods that are worked in the vacation eligibility year.

Basic payment in lieu of vacation with pay entitlement shall be paid to eligible employees in May of each year, provided, however, that an employee may elect to be paid all or part of his basic payment in lieu of vacation with pay at the time he takes his vacation leave of absence, computed as set forth above, by indicating this election on his vacation request form.

- (ii) Payments from an employee's Paid Absence Allowance because of absence or because of termination of his employment by death, retirement or otherwise, shall be computed at the employee's straight-time hourly rate on his last day worked (or, in the case of an incentive employee, the employee's average straight-time earned hourly rate including day work earnings in his last workweek worked) exclusive of overtime premium, but including shift and seven-day operations premiums and the amount of any cost-of-living allowance then in effect.
- (iii) Payment of the unused portion of the Paid Absence Allowance shall be computed in the same manner and at the same time as the employee's basic payment in lieu of vacation with pay for the next vacation year.
- (e) (i) An employee may use the hours credited to his Paid Absence Allowance in units of no less than one-half (1/2) day periods for: excused absence because of illness when not receiving Sickness and Accident Insurance; or absence that his supervisor has

excused because of personal business; or as payment for a vacation leave of absence as specified in Subparagraph (195). A request for Paid Absence Allowance by an eligible employee made subsequent to such absence will be approved for payment, but such payment shall not make such absence an excused absence or preclude the Management from considering such absence as the basis, in whole or in part, for disciplinary action.

- (ii) Any portion of an employee's Paid Absence Allowance that the employee does not use in the form of paid absences during the vacation payment year (the pay period following the pay period in which April 30 occurs and the next 51 pay periods) will be paid to him (computed pursuant to Sub-section (d)), at the time the Corporation makes its payment in lieu of vacation with pay in the following payment year. An employee permanently separated or promoted to a salaried classification shall receive any remaining unused Paid Absence Allowance within thirty (30) days after the Corporation receives notification of his separation or promotion.
- (f)-An employee disabled from work by compensable injury or legal occupational disease shall accrue credit toward pay periods worked for pay periods he would otherwise have been scheduled to work during the period of compensable disability provided such employee works at least three (3) days in a pay period in the eligibility year.
- (g)-An employee who receives pay for one or more of the designated holidays which fall in work weeks commencing December 29, 2003, December 27, 2004,

December 26, 2005, or December 25, 2006 shall receive credit for a pay period worked for purpose of computation of entitlement under Subparagraph (329), Payment Schedules.

(h)-A laid off employee who receives pay for a designated holiday shall receive credit for the pay period in which the holiday falls as a pay period worked for the purpose of computation of entitlement under Subparagraph (329), Payment Schedules.

(i)-An employee who qualifies for pay during a pay period pursuant to Subparagraph (338) Jury Duty or Subparagraph (339) Short-Term Military Duty shall receive credit for a pay period worked for purpose of computation of entitlement under this section.

(j)-Eligible employees entitled to the basic payment in lieu of vacation would receive payment on the following dates:

May 21, 2004
May 20, 2005
May 19, 2006
May 18, 2007

Paragraph 8— Eligibility

(330) (a)—An employee will be considered eligible for payments under Subparagraph (329) if he has worked for the Corporation for at least 13 pay periods in the vacation eligibility year and:

(1)—is on the active hourly payroll on May 1 of the vacation eligibility year. If he has been promoted to a salaried classification subsequent to May 1 of the vacation eligibility year but prior to the established date for distribution of basic payment in lieu of vacation

checks, he may be granted a vacation under the appropriate salaried vacation plan rather than the hourly basic payment in lieu of vacation with pay; or

(2)—is not on the active hourly payroll on May 1 of the vacation eligibility year because of sickness or injury, layoff, or leave of absence (including military leave of absence); or

(3)—is not on the active hourly roll on May 1 of the vacation eligibility year, but the employee's seniority is subsequently reinstated by a grievance settlement.

(b)—A salaried employee transferred to an hourly job or laid off from a salaried position and reinstated to an hourly job, who is otherwise eligible, shall receive payments under Subparagraph (329) based on his Corporation service and the total number of pay periods worked in the vacation eligibility year, less any payment previously received for a salaried vacation earned in the current and/or preceding calendar year.

(c)—(i) Employees who prior to May 1 of the vacation eligibility year have died or have retired under the Pension Plan or were automatically retired at age seventy (70) without pension benefits, or their estates, or estates of deceased retired employees shall receive basic payments under Subparagraph (329) that the employees were otherwise eligible to receive, computed as set forth in Subsection (c)(ii) below; provided, however, that an employee who retires or is retired under the provisions of the Pension Plan and who, but for his retirement, would have at least one year's seniority as of May 1 of the vacation eligibility year but who has not worked in at least thirteen (13) pay periods in the vacation eligibility year shall receive for each of the pay periods he worked during such year one twenty-sixth (1/26) of the maximum basic payments to which his seniority

as of May 1 of the vacation eligibility year would otherwise have entitled him under Subparagraph (329), computed as set forth below.

(ii) The basic payments set forth in Sub-section (c)(i) above shall be computed at the employee's straight-time hourly rate exclusive of overtime premium but including shift and seven-day operations premium and the amount of cost-of-living allowance in effect on the last day worked.

(d)—An eligible employee who enters into or returns to work in a U.S. plant from military service pursuant to Subparagraph (178) and would have at least one (1) year of seniority on May 1 of the vacation eligibility year but who has not worked in at least thirteen (13) pay periods in the vacation eligibility year in which his military service begins or ends shall receive for each pay period he worked in such year one twenty-sixth (1/26) of the maximum payments to which his seniority as of May 1 of the vacation eligibility year would otherwise have entitled him under Subparagraph (329).

Paragraph 9—Christmas Bonus

(331) A Christmas bonus of up to \$600 will be paid to each eligible hourly employee in calendar years 2003, 2004, 2005 and 2006 in an amount determined in accordance with the following table:

Pay Periods Worked During Eligibility Year	Christmas Bonus Amount
26 or more	\$600
20-25	\$450
13-19	\$300

This bonus shall be made by separate payment during the pay period following the workweek in which December 1st falls in those years.

An eligible employee is defined as one who:

- (a)—has seniority on the following eligibility dates: November 17, 2003, November 15, 2004, November 21, 2005 and November 20, 2006, as well as
- (b)—worked at least thirteen (13) pay periods in the fifty-two (52) pay periods immediately preceding the pay period in which the eligibility date occurs (i.e., the Christmas Bonus eligibility year).

During the Christmas Bonus eligibility year an employee will be credited with one (1) pay period worked for each pay period in which the employee:

- (a)—performed some work for the company,
- (b)—received jury duty pay, vacation pay, bereavement pay, holiday pay, or short term military pay, or
- (c)—received Workers' Compensation payment while on an approved medical leave of absence due to a compensable injury or occupational disease provided that:
 1. The employee would have otherwise been scheduled to work during the complete pay period; and
 2. The employee is actively at work for at least one complete pay period during the Christmas Bonus eligibility year.

An employee who retires during the Christmas Bonus eli-

gibility year and who, but for such retirement, would have had seniority as of the eligibility date, will qualify for a Christmas Bonus in accordance with the Bonus Schedule, above, if otherwise eligible.

An employee who dies during the Christmas Bonus eligibility year, if otherwise eligible, will have a Christmas Bonus payment determined pursuant to the Bonus Schedule, above, and paid to the estate, or if permitted by local law, to the next of kin.

Paragraph 10—Cost-of-Living Allowance

(332) For all employees, \$2.00 of the current \$2.05 COLA will be folded into the hourly base rate effective the Monday following ratification of the Agreement. Effective December 1, 2003, the COLA formula will be modified to one cent (\$.01) adjustment for each 0.08159 change in the CPI-W (1982-1984=100). All Items less Medical Care (*previously, for each .25 change in the CPI-W (1967=100) All Items*). The fifteen (15) quarterly adjustments from December, 2003 through June, 2007 will include diversions of up to two cents (\$.02) each quarter, for maximum total diversions of up to 30 cents (\$.30).

Paragraph 11—Wages

(333) Performance Bonus payments equal to three percent (3%) of Qualified Earnings will be made to each eligible employee (excluding non-seniority TPT's) in accordance with the following table:

<u>Eligibility Date</u>	<u>Eligibility Year</u>	<u>Payable During the Week Ending</u>
Sept. 20, 2004	Sept. 22, 2003 thru Sept. 19, 2004	Oct. 17, 2004

An employee shall become eligible for the Performance

Bonus payments provided herein, if the employee has seniority as of each designated eligibility date set forth above.

An employee's Performance Bonus will be based on the Qualified Earnings during the fifty-two (52) consecutive pay periods immediately preceding the pay period in which the designated eligibility date falls.

Qualified Earnings, as used herein, are defined as income received by an eligible employee from the Corporation during the Performance Bonus Eligibility Year resulting from the following:

- Hourly Base Wages*
- Cost-of-Living Allowance*
- Shift Premium*
- Incentive Earnings
- Payment in Lieu of Vacation and Paid Absence Allowance
- Holiday Pay
- Employee Birthday
- Seven-Day Operations Premium
- Bereavement Pay
- Jury Duty Pay
- Apprentice Pay
- Call-In Pay
- Short-term Military Duty Pay
- Back Pay awards related to the designated eligibility year.
- * Including overtime, Saturday, Sunday and Holiday premium payments.

An employee who retires during the Performance Bonus Eligibility Year beginning September 22, 2003, and who, but for such retirement, would have had seniority as of the designated respective eligibility date, shall qualify for the

Performance Bonus as defined in this Section.

In the case of an employee who dies during the Performance Bonus Eligibility Year beginning September 22, 2003, a Performance Bonus shall become payable as if the employee were a seniority employee on the designated eligibility date, calculated based on the employee's Qualified Earnings during the Eligibility Year as defined above. Such Performance Bonus shall be paid to the employee's duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relative or dependents of such person as the Corporation, in its discretion, may determine.

(334) Base rates will be increased by two percent (2%) effective September 19, 2005. Base rates will be increased by three percent (3%) effective September 18, 2006.

(335) Effective the first pay period following ratification of the Agreement, each employee in a skilled trades classification who has either journeyman or permanent employee status shall receive a tool allowance adjustment of thirty cents (\$.30) per hour added to the base rate retroactive to September 22, 2003.

Paragraph 12—Profit Sharing

(336) Toledo Assembly Plant UAW employees will continue to be covered under the provisions of the Chrysler Corporation Hourly and Represented Salaried Employees Profit Sharing Plan according to the same conditions and eligibility rules as are applicable to employees covered under the DaimlerChrysler National Production, Maintenance and Parts agreement.

Paragraph 13—Bereavement Pay

(337) (a)—When death occurs in an employee's immediate family, i.e., spouse, parent, stepparent, grandparent or great grandparent, parent, stepparent, grandparent or great grandparent of current spouse, child or stepchild, grandchild, brother, sister, stepbrother, step-sister, half-brother or half-sister, a seniority employee, on request, will be excused, and after making written application therefor, receive payment for up to three (3) normally scheduled eight (8) hour days of work or up to five (5) normally scheduled eight (8) hour days of work in the case of the death of an employee's current spouse, parent, child, or stepchild, (excluding Saturdays, Sundays and holidays, or, in the case of seven-day operations, excluding regular off days and holidays) during the period commencing with the date of death and ending with the second calendar day after the day of the funeral, provided he attends the funeral.

(b)—The employee shall receive Bereavement Pay for the first three (3) full working days, or first five (5) full working days in the case of the death of an employee's current spouse, parent, child, or stepchild, on which the employee is absent during the period established in Subsection (a).

(c)—An employee who returns to work on or after the date of the funeral will not be eligible for Bereavement Pay for any subsequent absence in connection with that bereavement.

(d)—Payment shall be made at the employee's straight-time hourly rate on the last day worked (or, in the case of incentive employees, the employee's average straight-time earned hourly rate, including day work earnings, in his last four (4) pay periods worked) exclusive of overtime premiums but includ-

ing applicable shift and seven-day operations premium and the amount of any cost-of-living allowance then in effect. Time thus paid will not be counted as hours worked for purposes of overtime.

Paragraph 14—Jury Duty

(338) Any employee with seniority who is called to and reports to jury duty (including Coroner's Juries) shall be paid an amount equal to the employee's straight-time hourly rate, (or in the case of incentive employees, the employee's earned average straight-time rate including day work earnings) including applicable shift premium but exclusive of overtime, and any other premiums, on the last day worked (or in the case of incentive employees, the last four (4) pay periods worked) multiplied by eight (8) or the number of hours less than eight (8) that the employee otherwise would have been scheduled to work for the Corporation on the day for which the payment is to be made less the daily jury duty fee (not including travel allowances or reimbursement of expenses) paid the employee by the court in which he serves.

In order to receive payment under this Section, an employee must give the Corporation prior notice that he has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which he claims such payment. Any employee who is called to and reports for an interview or an examination to qualify him for selection to a jury shall be considered to have performed jury duty and shall qualify for jury duty pay if otherwise eligible as provided herein.

This Section is not applicable to an employee who, without being summoned, volunteers for jury duty.

Paragraph 15—Short-Term Military Duty Pay

(339) (a)—An employee with seniority who is called to and attends an annual training encampment or is called to and performs active duty because of a local or national emergency as a member of the United States Armed Forces Reserve or National Guard shall be paid an amount equal to the employee's straight-time hourly rate (or in the case of incentive employees, the employee's earned average straight-time rate including day work earnings) including applicable shift premium but exclusive of overtime, and any other premiums, on the last day worked (or, in the case of incentive employees, the last four (4) pay periods worked) multiplied by eight (8) or the number of hours less than eight (8) that the employee otherwise would have been scheduled to work, less his daily military earnings (including all allowances except rations, subsistence and travel).

(b)—Payment shall be made for days (excluding Saturdays and Sundays, or, in the case of seven-day operations excluding regular days off) that the employee performs short-term military duty and otherwise would have been scheduled to work, or, but for his short-term military duty, would have been eligible for holiday pay.

(c)—Except for short-term active duty of thirty (30) days or less performed by employees called to active service in the National Guard by state or federal authorities in case of public emergency, the Corporation's obligation to pay an employee for performance of military duty under this Section shall be limited to a maximum of fifteen (15) scheduled working days in any calendar year. In order to receive payment under this Section the following conditions shall be met:

- (i) the period of short-term military or National Guard duty shall not exceed thirty (30) calendar days;
- (ii) the employee shall be called to military or National Guard duty and shall furnish the Corporation with a copy of his military orders in advance of his military duty; and
- (iii) upon his return to work the employee shall furnish the Corporation with a statement of his military pay while on such duty.

Paragraph 16—Other Economic Provisions

(340) The following Agreements are incorporated and made a part of the Agreement:

Exhibit A: Retirement Income

Exhibit B: The Life, Disability and Health Care Benefits Plan

Exhibit C: Supplemental Unemployment Benefit Plan

Exhibit D: Supplemental Retirement and Severance Benefit Plan

TERMS AND SIGNATURES

This Agreement shall continue in full force and effect until 11:59 p.m. November 14, 2011 and thereafter until canceled in the manner hereinafter provided in this Article.

This Agreement may be canceled and terminated by the parties thereto as of a date subsequent to November 14, 2011 by compliance with the following procedure.

Should either party hereto decide to terminate this Agreement on or after the above date, said party shall give sixty (60) days written notice of such desire to the other party. Upon expiration of the sixty (60) days written notice, this Agreement shall be terminated unless this Agreement is extended by the mutual agreement of the parties thereto.

Should either party desire to modify, alter or amend this Agreement on or after the above date, said party shall give sixty (60) days written notice of such desire to the other party. In the event such notice has been served and negotiations for a new Agreement are not completed by the expiration date of said sixty (60) day notice, this Agreement shall nevertheless continue in full force and effect until a new Agreement is signed unless the original notifying party gives the other party a written notice to terminate said Agreement which shall not be earlier than seventy-two (72) hours from the receipt of said notice. Any such notice of termination shall state the date upon which the termination of this Agreement shall be effective, and upon said date this Agreement shall terminate.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

DATED: December 18, 2003 Toledo, Ohio

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AEROSPACE, AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW
LOCAL 12 (JEEP UNIT)

Lloyd Mahaffey
Nick Vuich
Daryl Peterson
Dan Twiss
Jeff Powers
Bernard Jakab
James Buck
Mark Garrett
Bill McCullough
Henry Perales
Mike Sawaya
Fred Muir
Dave Hall
Lee Herbert
Dave Darnell
Rose Blankenship

DAIMLERCHRYSLER
CORPORATION
K.J. McCarter
A.A. Iacobelli
T.G. Maxon

Toledo Assembly Plant Agreement

DAIMLERCHRYSLER CORPORATION, for its Toledo Assembly Plant (hereinafter called the "Corporation") and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA (UAW), and its Local No. 12 (Jeep Unit) (hereinafter collectively called the "Union") having entered into negotiations on amending and extending there Agreement date September 12, 2002 between DAIMLERCHRYSLER CORPORATION and the INTERNATIONAL UNION, UAW, and its Local No. 12 (Jeep Unit) hereby agree as follows:

1. The parties agree to an amended Agreement covering represented employees at the Toledo Assembly Plant, including Other Economic Provisions referred to in Article XIV, Paragraph 16 of said Agreement, the Skilled Trades Supplement, the Office/Clerical/Engineering Supplement, Appendices, Exhibits, Memorandum of Understanding, and Letters, as amended as set forth below and in Appendix A annexed hereto. Each of said Agreements shall continue in full force as provided therein. Except as may otherwise appear in said Agreement or set forth below, the provisions of said Agreement, the Pension Agreement and the Insurance Program shall be effective upon receipt by the Corporation from the Union of written Notice of Ratification of this Agreement.
2. This Agreement shall continue in full force and effect until 11:59 PM on the 14th day of November 2011, or thereafter as provided therein. Except as may be set forth in said documents, each of said documents will: a) be effective upon receipt by the Corporation from the Union of written Notice of Ratification of the Agreement which covers employees to whom the document applies or to which the documents refer: and, b) remain in effect until termination of the Agreements which covers the employees to whom the documents apply or to which the documents refer.
3. The sections of the above mentioned Agreements and Exhibits, in most instances are numbered as they or corresponding sec-

tions appear in the 2002 Agreements and Exhibits, and the Agreements, Memoranda, Supplements and Letters attached hereto contain references to sections of said 2002 Agreements and Exhibits and amended documents so numbered. In addition, the above mentioned Agreements and Exhibits contain blanks in which dates are to be inserted for eligibility, for, and payment of, amended or new benefits. The parties agree to renumber the sections of said Agreements in such manner as shall be appropriate, as additions, deletions, and substitutions may require, and to change references and cross references in said documents to sections of said Agreements accordingly, amend any dates as appropriate.

4. Prior to and during the negotiations with respect to employees covered by the above mentioned documents, each party made certain proposals to, and demands upon the other. Each party hereto agrees that it has withdrawn all proposals and demands made to and upon the other in connection with said negotiations that are not incorporated in or covered by this Agreement and for the Agreements annexed hereto as is the incorporation therein of matters agreed upon. Each party hereto hereby waives any right to require the other to bargain on the subject matter of said proposals or on any similar proposals or on any other matter that might have been included in or covered by this Agreement or the Agreements and documents annexed hereto but was not. It is the intention of the parties that this Agreement and the and the Agreements and documents annexed hereto during their term shall cover all arrangements between the parties concerning wages, hours, and conditions of employment that are to be in effect during said terms and nothing shall be added to this Agreement or Agreements annexed hereto or incorporated herein or subtracted by amendments, supplemental agreements or otherwise, except as expressly set forth in Article XIV, Paragraph 16.
5. The Union agrees to submit this Agreement and Agreements other documents annexed hereto and incorporated herein to the Union membership covered by these

December 22, 2003, and the representatives of Local Union No. 12 (Jeep Unit), UAW, and International Union, UAW and its Regional Servicing Representative, will recommend to the membership that this Agreement, applicable Agreements and other documents be ratified.

6. Agreement Change and/or Waivers

The parties agree that in order to implement innovative programs, pilot projects, experiments or other changes to enhance competitiveness and improve job security it may be necessary to amend or change certain provisions of the Agreement. It is understood that any such changes will be effective when expressly agreed to in writing both by the Corporation and the Local Union No. 12, UAW and that such changes will be effective only as specifically designated upon agreement by the International Union, UAW Regional Servicing Representative and the Corporation's Vice President of Union Relations and shall require no further ratification.

7. Counterpart Signature

The signatures hereon shall be applicable to each of the various Agreements attached hereto in the same manner and with the same effect as if physically subscribed thereon.

DATED: 18 December 2003

Toledo, Ohio

Signatures-Negotiations Committee

/s/ Nick Vuich

/s/ K.J. McCarter

/s/ Daryl Peterson

/s/ A.A. Iacobelli

/s/ Dan Twiss

/s/ T.G. Maxon

/s/ Jeff Powers

/s/ Nelson Brooks

/s/ Bernard Jakab

/s/ Jean Hathaway

/s/ James Buck

/s/ Ed Schaeffer

/s/ Mark Garrett

/s/ Nick Weber

/s/ Bill McCullough

/s/ Joe Delikat

/s/ Henry Perales

/s/ Tod Hartje

/s/ Mike Sawaya

/s/ Fred Muir

/s/ Dave Hall

**TOLEDO ASSEMBLY PLANT
UAW—Local No. 12
SKILLED TRADES SUPPLEMENT**

Section 1 through 26

(341) As contained in this Contract Supplement agreed to between the Toledo Assembly Plant and the Jeep Unit, Local 12, UAW, effective **December 29, 2003**.

Section 1. General

(342) All of the foregoing provisions of the Agreement between the Company and Local 12, UAW, and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America shall apply to the Company Skilled Trades employees, except where such provisions may be inapplicable or in conflict with the following specific provisions.

(343) The Rate Manual covering employees who fall under this Supplement of this Agreement shall be made available in a separate book.

Section 2. Seniority Noninterchangeable

(344) Seniority in the Skilled Trades Departments shall be by noninterchangeable classifications.

Section 3. Skilled Trades Seniority

(345) Seniority in the Skilled Trades occupations shall be as of date of entry into the classifications.

(346) Any new classification negotiated into Skilled Trades shall carry plant seniority.

Section 4. Journeyman Defined

(347) The term "Journeyman" as used in this Agreement shall mean any person:

- (348) a. who is presently recognized as a Journeyman in his classification at the Toledo plant.
b. who has served a bonafide apprenticeship and has a

certificate which substantiates his claim of such service.

- c. who has eight (8) years experience on work of the kind performed at the Toledo plant in the classification and can establish satisfactory proof thereby within thirty (30) working days by means of notarized affidavits otherwise he shall be terminated unless there is an extension of the time by mutual agreement.

Section 5. New Hires - Transfers

(349) Any new hires or transfers into the skilled classifications shall be limited to Journeymen and apprentices, except as provided in Section 17 herein. Proof of journeyman status of potential new hires and transfers will be reviewed with the Union.

Section 6. Recall From Other Seniority Groups

(350) Any skilled worker or upgrader who may at present be working in a production department must return to his skilled trades occupation when called in turn of seniority or forfeit all seniority rights in the skilled trades occupation. The employee will be released within 10 working days unless mutually agreed or semi-skills are involved.

Section 7. Permanent Layoffs

(351) In the event of a **permanent** reduction in force, after signing of this Agreement, in the skilled departments, and before regular hours of the skilled workers are reduced, layoffs will be made in the following order.

- a. All upgraders
b. Contractual Journeymen
c. Probationary Journeymen
d. All Apprentices shall be laid off in accordance with ratio as established by the Apprentice Committee.
e. Qualified Journeymen.

- (352) Temporary adjustments will follow Article IX, Par. 16 — Layoff Procedure Temporary Adjustments.
- (353) When a permanent work assignment reduction occurs, those affected employees may displace lesser seniority employees in their Product Line, on their shift, within their classification. Subsequently, if said employee(s) has sufficient seniority to remain in the Product Line, said employee(s) may displace the lowest seniority employee(s) within the Product Line. The affected employee(s) then displaces the lowest seniority employee(s) within the classification complex-wide.

Section 8. Inverse Seniority

- (354) Upon request of the Union, representatives from the Company and the Union may enter into an agreement applying the concept of inverse seniority where:
- (a) the layoff is for a definite time and limited duration and;
 - (b) all employees with less than one year's seniority have been laid off.
- (355) The Union agrees that any such agreement shall not impair plant operating efficiencies. Consistent with this requirement, it is further agreed that employees shall be laid off and recalled under the terms of this inverse seniority layoff procedure by classification and department. It is expressly understood that the Company and the Union shall not enter into arrangements which permit employees on inverse seniority layoff to return to work to be replaced on layoff by other employees during the period of limited layoff. Nor will an employee who is laid off pursuant to an inverse seniority arrangement be permitted to return to work as a result of exhaustion of, or disqualification from, State Unemployment Compensation Benefits or

Company provided Supplemental Unemployment Benefits. Nothing in the foregoing shall preclude the Company from recalling any employee prior to the expiration of the limited layoff period.

Section 9. Recall from Layoff

- (356) All employees on Lack of Work will be recalled before those on Skilled Trades Waiver. Skilled Trades employees on Waiver will be recalled by calling the employee with the least seniority.

Section 10. Prorating Rights

- (357) Journeymen or Apprentices affected by a layoff may:
- (a) Elect to leave the plant on Lack of Work or take a Skilled Trades Waiver, with recall rights as per this Agreement.
 - (b) Elect to fill an open requisition for a production or higher classification.
- (358) Failure to return when recalled within seven (7) calendar days will result in the cancellation of his seniority rights in the skilled trades' occupation.

Section 11. Outside Contracting

- (359) It is the policy of the corporation to fully utilize its own employees in maintenance Skilled Trades classifications in the performance of maintenance and construction work.
- (360) In all cases, except when time and circumstances prevent it, the Corporation will notify the Union in writing prior to letting a contract for the performance of maintenance and construction work in order to afford the Union an opportunity to hold advance discussion of the matter before the contract is let. In this discussion, the Corporation is expected to review its plants or

prospects for letting a particular contract. The Corporation will provide the Union with available information regarding the nature, scope, cost, and approximate dates of the work to be performed and the reasons (equipment, manpower, etc.) why the Corporation is contemplating contracting out the work. At such times, the Corporation is expected to afford the Union an opportunity to comment on the Corporation's plans and to give weight to these comments in the light of all attendant circumstances.

Section 12. Apprentice Agreement

- (361) The Apprenticeship Standards as outlined in the 2003 DaimlerChrysler - UAW National Agreement shall be considered a part of this Agreement.

Section 13. Representation

- (362) The elected skilled trades committeeman on the Executive Committee shall be appointed to the Joint Apprenticeship Council.

Section 14. Group Leaders

- (363) When necessary, the Company will appoint as Leaders the men in the various skilled trades classifications who have the most seniority and have the ability to be competent Leaders and who are capable in their trade and can effectively lead people and have the physical ability to act as Leaders of the other employees working in the department.

Section 15. Transfer—Handicapped Employees

- (364) An employee in the Skilled Trades, who because of poor health or physical handicap, is unable to maintain the operations of his job may be placed on a job he can do in his department upon agreement between the company and the Union.

- (365) In the event there is no open job, he may then replace the youngest employee in his department who is in good physical condition and on a job he can do, providing he has greater seniority.
- (366) In the event there are no open jobs in the skilled trades department, he may then exercise his seniority plant wide to replace the least senior employee on a job as authorized in the letter entitled RE: Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 located in the back of this agreement.

Section 16. Work Assignments

- (367) The principle of seniority shall be applied when assigning work areas, shift, and work assignments within established Skilled Trades classifications. The following process shall be applied:
- When a primary opening is created, employees within the same classification with the highest seniority will be given the opportunity to secure such assignment.
 - This will apply for the primary opening and two (2) subsequent openings.
 - If a work assignment is posted and no one applies for it, the lowest seniority employee in the classification without a work assignment secured under this Section will be given this work assignment.
 - These work assignments will be posted in the appropriate maintenance areas within each Center for a period of 48 hours.
 - The Employment Office may fill any work assignment opening that is not filled by this bidding process.

Further, if a work assignment that was eliminated is subsequently reinstated within 90 calendar days, the employee affected by the earlier reduction will be given the first option to return to the former work assignment.

- (368) A primary opening is defined as an opening created when an employee dies, quits, retires or new work is created.
- (369) Employees will be moved on the Monday following the date the posting comes down, no later than ten (10) working days unless mutually agreed to or to maintain the efficiency of operations for sound business reasons. An employee awarded a work assignment pursuant to this Section will not be eligible to apply for another job for a period of six (6) months following a move under this Section. Any disputes that may arise will immediately be referred to the Chairman of the Executive Committee and the Labor Relations Supervisor.

Section 17. Workforce Composition

- (370) Whenever the Skilled Trades occupations are required to increase their force, the Company will preferentially fill these jobs in the following order:
 - (a) An employee who has served a bonafide apprenticeship of at least 8,000 hours and has a certificate which substantiates his claim or who has had eight (8) years experience in work of the kind performed at the Toledo plant in the classification and can establish satisfactory proof thereof.
 - (b) Any non-employee who has served a bonafide apprenticeship of at least 8,000 hours and has a certificate substantiating his claim or who has had eight (8) years experience in work of the kind performed at the Toledo plant in the classification and can establish satisfactory proof thereof.

- (c) The following trades within the Millwright classification will be recognized when hiring employees into the trade:

- Air Conditioning and Refrigeration Mechanic
- Bricklayer
- Carpenter
- Millwright
- Painter and Glazer
- Pipefitter
- Sheet Metal Worker
- Industrial Welder

- (371) Any variation from the above subparagraph will be by mutual agreement.

(372) Die Tryout & Trouble Area

Die makers in the Die Tryout Area will work on dies doing anything necessary to get the dies ready for production. Die Tryout and Trouble employees will be permitted to perform minor machinery procedures when such minor machine work involves dies currently in production, dies in the process of being set for production operations, or dies that are temporarily out of productions and require immediate repair in order to resume production operations.

A Die Maker working in the Die Tryout and Trouble Area may be assigned to work in the Die Room area as long as he does not displace a Die Maker who normally works in the Die Room.

A Die Maker who normally works in the Die Room may be assigned to work in the Die Tryout and Trouble Area on a temporary basis provided he does not displace an employee who normally works in the Die Tryout and Trouble Area.

Any Die Maker who bids to the Die Tryout area shall remain in that area for a minimum of one year, seniority permitting. The individual may then return to the Die shop at any time after one year, upon giving a thirty-(30) day written notice.

(373) Tool Room Distinction

During the 1997 negotiations, the parties reviewed the historical distinction between work assignments inside the Tool Room and outside the Tool Room.

Recognizing that it is necessary that the Corporation retain flexibility in the assignment of employees, the parties reached the following agreement:

1. The Corporation will continue to recognize the distinction between work assignment inside the Tool Room and outside the Tool Room for general area preference purposes.
2. Notwithstanding the above, the Corporation has the right:
 - (a) overtime houses when:
 - (1) it is necessary to augment the workforce outside the Tool Room; or
 - (2) when new tooling needs to be installed, and:
 - (b) in the case of employees normally working outside the Tool Room to temporarily assign said employees during overtime hours to machining work inside the Tool Room that is necessary to complete repairs that they are working on outside the Tool Room.
3. The above provisions are not intended, nor will they be applied for the purpose of displacing employees who are normally working on inside or outside tool maker work.
4. The parties agree to discuss the possibility of eliminating the Inside/Outside Tool Room distinction in either party feels it would be beneficial for the purpose of overtime equalization or improved operating efficiency.

Section 18. Upgraders

- (374) Before this Agreement is put into effect, there must be established an apprenticeship training program which meets the standards of the International Union.
- (375) The Company will not hire new non-journeymen

employees for work in the skilled classification until it has first provided an opportunity to all employees in the Bargaining Unit to apply for such jobs and has transferred all such employees having adequate skills. Such non-journeymen transferees (other than apprentices) shall be known as upgrader employees. The Company will not retain upgraders over a one to one ratio of apprentices for a period of 60 working days unless the period is extended by mutual agreement.

- (376) In the Skilled Trades Department, upgrader employees shall work with Journeymen in the performance of their tasks.
- (377) Upgrader employees who are assigned to the Skilled Trades Department shall receive the rate of pay as set forth in the Rate Book.
- (378) All future wage increases shall be governed by the contractual provisions presently in effect.
- (379) Upgrader employees shall exercise seniority in their own groups as of date of entry into the upgrader group and they may be displaced by newly hired qualified Journeymen or apprentices.
- (380) Upgrader employees shall not acquire seniority within the skilled department but will accumulate seniority in their group.
- (381) Upgrader employees who have accumulated five (5) years of work experience in the classification at the Toledo plant and who have completed the schedule of Work Processes for the classification may qualify for contractual journeyman status if mutually agreed upon between the Company and the Union. Seniority shall be as of the date of entry into the journeyman classification after eight (8) years.
- (382) This agreement shall terminate upon violation of any term hereof by the Company or upon refusal of the Company to hire available qualified UAW journeymen at the prevailing rate, while employees are being used.

Section 19. Overtime Distribution

(383) In the Skilled Trades classifications, all overtime shall be equalized among the employees in each classification, by department. Overtime hours records shall be kept and rotated in the groups and order of priority as indicated below:

Journeymen

Probationary Journeymen

Apprentices

Contractual Journeymen

Upgraders

If any operation is adversely impacted as a result of implementing these provisions, the overtime will be implemented as outlined in Article XI, Paragraph 1.

- (384) It is agreed that a listing of accumulated hours will be published by the Company once each week, signed off by the departmental steward and posted in the department by 12:00 noon on Monday of each week. This list will be used by the Company to offer overtime from Monday through Sunday and reflect a two (2) week lag to current hours of each week. If an employee is bypassed through an error on the above list, it is agreed that no penalty will be incurred by the Company but the employee(s) will be offered the next overtime available in the department to make up the difference.
- (385) Employees eligible to work overtime shall not be bumped off their regular shift or a job secured under provisions of Section 16.
- (386) In the event an employee refuses overtime when offered he shall be charged with the overtime he would have earned had he worked. If the employee offered the overtime accepts such overtime and does not report or fails to complete the entire amount offered he will be charged double the number of hours offered he could have worked.
- (387) Any employee on a leave of absence for any reason will

be charged for overtime hours he could have worked during the period of his leave of absence.

- (388) New employees shall be charged with the number of hour's overtime of the employees having the greatest number of hours on the date they attain seniority.

Section 20. Shift Preference

- (389) Employees with seniority shall be given the right to exercise shift preference by classification and seniority provided such employees have the ability to perform the work of the displaced employees and that full protections shall be given to the efficiency of operations at all times. Employees shall make their shift preference known in writing to their supervisor with a copy to the steward. Assignments made pursuant thereto shall be made as soon thereafter as practicable, but that such assignment will be effective on Mondays. When employees are assigned to a shift in accordance with their shift preference, they shall be required to remain on that shift for a six (6) month period, seniority permitting.
- (390) The ensuing vacancy created by this shift transfer will be bid plantwide by classification and seniority provided the employee has the ability to perform the work. The displaced employee from the shift preference transfer will backfill the bid vacancy. No remaining moves shall be made with regard to this process.

Section 21. Shift Premium

- (391) Skilled trades employees who are required to attend in-plant training necessary to upgrade their skills in their classification on a shift other than the one they would

otherwise normally work will be paid the shift premium normally paid for their regularly assigned shift for the period they attend such training.

Section 22. Metric Tools

(392) The Company will not require employees to purchase metric tools if we convert to the metric system.

Section 23. Skilled Classification

(393) In the Skilled Trades where there is more than one classification of work within a trade, such classification shall be made a part of this Agreement and shall be according to UAW standards and the needs of the department.

Section 24. Coveralls

(394) An adequate supply of coveralls will be maintained at all time for use of the Skilled Tradesmen, when needed. The issuance of coveralls will not be for a period less than the balance of the shift.

Section 25. Working on a Holiday / Conversion Option

(395) Commencing January 19, 2004, skilled trades employees who work on a designated holiday, and are otherwise eligible for holiday pay, may request that eight (8) hours be credited to their Paid Absence Allowance, in lieu of receiving holiday pay. Employees who choose to utilize accrued Paid Absence Allowance obtained through this procedure can only do so in increments of five (5) consecutive days.

To provide sufficient time for administration, the employees must submit their request in writing no later than the Friday of the week in which the holiday occurs.

Section 26. Seven-day Operations

(396) After considerable discussions, for pay purposes, the parties agreed to adopt the contractual language for pay of seven-day operations as outlined in Article XI, Paragraph 4 of this agreement.

Signatures-Skilled Trades 2003 Negotiations Committee

/s/ N. Vuich

/s/ J. Buck

/s/

/s/ T. Maxon

/s/ J. Hathaway

/s/ J. Delikat

Jurisdictional Matters

July 28, 1997

Mr. Nick Vuich
Chairman
UAW Local #12 - Jeep Unit
Toledo, Ohio

Dear Sir:

The parties have acknowledged that in order to achieve and maintain competitive advantages, it is necessary to resolve matters in a way that will maintain the efficiency of plant operation. To that end, the following skilled trades jurisdictional work assignments will remain consistent with prior dispute settlements:

- A. Piping air lines from the main or supply line to machinery distribution points surge tank, manifold bikini air regulators, oiler, and moisturer trap.

The connection of piping to anything on the machine and piping on the machine will be the responsibility of a Machine Repairman. Piping performed off the machine and to the machine will be the responsibility of the Millwrights. In addition, piping to the surge tank and the manifold regardless of whether on or off the press will be performed by the Millwrights.

The fabrication, modification, installation, of surge tanks and manifolds to presses and machinery including changing the size of nipples and openings in surge tanks. Welding and/or bottling onto machines, including mounting brackets will be the responsibility of a Machine Repairman.

- B. Changing Electric Motors

The changing of electric motors is the responsibility of the Millwrights. When the movement, without disconnect, of

an electric motor is incidental to Machine Repair work, the Machine Repairman will move the motor.

- C. Changing of casters and welding on A-frame pickers
The changing of casters and welding on a-frame pickers is the responsibility of the Millwrights.
- D. Setup and leveling machinery
The Millwrights will continue the current practice of positioning and leveling equipment and machinery.
- E. Maintenance and repair of power roller conveyors.
The power roller conveyors located at the Gilman line will be the responsibility of the Millwrights.
- F. Changing of bolster plates.
The changing of bolster plates including the bolt loosening will be the responsibility of the Die Setters.
- G. Removing and reinstalling clutch assemblies belts on presses.
When it has been pre-determined that the changing of a belt on a clutch assembly is the only repair required, the work will be performed by the Millwrights.
- H. Swing-Away-Arms
The layout fabricating and installing of swing-away-arms on presses is the responsibility of the Machine Trades.
- I. Welding on presses, brackets, hinges, drip edges etc.
The welding on presses, brackets, hinges, drip edges, etc. is the responsibility of Press and Assembly division welders (former MESA).
- J. Changing and aligning motor shafts and gear boxes to couplings inside cranes.
A Machine Repairman will uncouple gear boxes and Millwright will uncouple motor shafts.

Very truly yours,

C.T. Dukes

Toledo Assembly Plant

Concur

/s/ Nick Vuich

Outside Contracting Review Team

October, 2003

Mr. Lloyd Mahaffey
Regional Director – Region 2B UAW
Maumee, OH 43537

Dear Sir:

During the 2003 Toledo-Jeep Negotiations, the parties discussed at great length matters pertaining to outside contracting notification. In particular, the Union cited many instances where certain in-house non-project work was performed by outside contractors and the local union was not afforded the opportunity to discuss with Management outside contracting arrangements due to "time and circumstance" preventing advance notification.

The parties agree that meaningful discussion can only occur between Management and the Union when the outside contracting arrangement is known in a timely fashion. Likewise, it is understood by the parties that emergency situations will arise where time and circumstances may prevent advance notification and discussion.

The parties recognize there is a need for constructive progress in communication for a complete understanding and cooperation of our contractual requirements in this regard. Therefore, the parties agree that an Outside Contracting Review Team be established on the local plant level consisting of the Plant Union Relations Supervisor, the Plant Manufacturing Engineering Manager, the Chairman and the Local Skilled Trades Committee Representative. The Outside Contracting Review Team shall meet on a regular and recurring basis to review cur-

rent maintenance and construction programs and plans for the facility.

The review process will be a positive approach for sharing information on manpower skills, equipment, and facilities to do the work competitively in quality, cost and performance, and within projected time limits.

In a further effort to ensure all relevant considerations have been reviewed by the Company and Union prior to letting an outside contract for the performance of skilled maintenance and construction work, the parties have prepared a checklist to guide the local review of potential outside contracting matters. The checklist is to be used in conjunction with the Outside Contracting Review Team Meetings and is intended to assist in the advance discussion of projects other than those of an emergency nature.

Very truly yours,
Kenneth J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: L. Mahaffey

Outside Contractor Property

July, 1997

Mr. Nick Vuich
Chairman
UAW Local #12 Jeep Unit
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the Union expressed concern pertaining to contractor equipment, trailers/cribs and vehicles remaining on-site following the completion of a contract or project. In particular, the Union believes outside contractor property left on sight increases or perpetuates the amount of work being performed by said outside parties which infringes on work customarily performed by Toledo Assembly Plant Skilled Trades personnel.

The Company informed the Union it would closely monitor the amount and content of outside contractor property on-site. In addition, the Company and Union will continue to address outside contracting issues pursuant to the Collective Bargaining Agreement. Specific instances of outside contractors performing work which the Union believes to be contrary to contractual requirements will be referred to the Union Relations Supervisor for expeditious resolution.

Very Truly Yours,
Craig T. Dukes
Human Resources Manager

Accepted and Approved
By: N. Vuich

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Warranty and Service Agreements

August 8, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the 2002 negotiations, there was considerable discussion regarding the subject of warranty and service agreements. The Union expressed serious concern relative to warranty arrangements that extend beyond those customarily provided by suppliers and certain service contracts. They further asserted that certain locations fail to provide the Union with proper notice when suppliers are in the plant to perform particular warranty or service agreement work, especially during off-shifts and overtime periods. The Corporation reaffirmed that good business practice includes the use of warranty arrangements sufficient to assure that equipment purchased by the Corporation performs according to specifications required by the purchase contract. The Corporation further explained that to remain globally competitive, it must be able to utilize warranty arrangements and/or service contracts ordinarily provided by suppliers.

In an effort to address the Union's concerns, it is agreed that any time a supplier visits a facility to perform warranty or service agreement work, as provided in the purchase agreement between the parties, the Union will be notified and an employee on that shift with the appropriate skilled trades classification will be assigned with the supplier. Additionally, in the event other employees from

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the same supplier are performing different warranty or service agreement work in other areas of the plant, an employee with the appropriate skilled trades classification will be assigned with the supplier. The purpose of this assignment is for the employee to receive training, become familiar with the new equipment, and to help ensure a smooth transition of responsibilities to our skilled trades upon expiration of the warranty and/or service agreements.

Where concerns or abuses are cited by either party regarding the aforementioned understanding, such matters will be discussed in Outside Contracting Review Team Meetings in an attempt to reach a mutually satisfactory resolution.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Service Contracts

September 11, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

This letter is to affirm the Company's commitment to provide the Skilled Trades Union Leadership, upon request, a list of annual service contracts.

Sincerely,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

Skilled Trades Licensing Fees
October, 2003

Mr. Lloyd Mahaffey
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

The parties have agreed that where either federal, state, or local ordinances require licenses to perform the specific work historically or traditionally assigned to a skilled trades classification, the Corporation will ensure that an employee or employees, if so required of the Corporation will be trained in accordance with licensing requirements. The Corporation will also reimburse employees who are required to obtain such governmentally required licenses, provided the particular license is necessary for performing available work in the plant. Reimbursement shall be limited to the fee for such licenses or their renewal which will be used in the performance of subject employees specific job within the Corporation.

Additionally, in cases where licensing requirements include specialized training, the Local Joint Training Committee will meet to discuss and resolve training issues related to procurement of such licenses.

Very truly yours,
Kenneth J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: L. Mahaffey

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Skilled Trades – Broken or Damaged Tools
October, 2003

Mr. Lloyd Mahaffey
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

During the negotiations, of the 2003 DaimlerChrysler-UAW (Jeep) Agreement, the Corporation reaffirmed its commitment for the replacement of personal tools of Skilled Trades employees broken or damaged on the job.

The Corporation informed the Union that the practice will continue during the term of the 2003 Agreement whereby the Corporation will repair or replace tools broken on the job by hourly Skilled Trades employees provided there is no evidence of employee negligence, abuse or improper usage, with the following limitations:

- 1) The maximum amount expended for the repair or replacement of any one tool shall not exceed \$300.00, and;
- 2) The maximum amount expended at each plant in each year shall not exceed an amount equal to \$10.00 multiplied by the total number of hourly Skilled Trades employees on the active roll at the plant in the last pay period ending in the month of June preceding the beginning of each year of the Agreement.

The local plant will be required to establish a repair or replacement of broken tool procedure whereby skilled trades employees may arrange for the repair or replace-

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ment of broken tools through the plant tool crib system. Any costs above \$300.00 for the repair or replacement of a broken tool will be the responsibility of the skilled trades employee.

Very truly yours,
Kenneth J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: L. Mahaffey

Apprentice Development

November, 2003

Attention: Mr. Lloyd Mahaffey

Dear Sir:

During the 2003 negotiations, the Corporation and the Union discussed at great length the current status of the Apprenticeship Program.

The Union and the Company acknowledged that skilled trades personnel provide vital support to operations, and that there is a direct relationship between the effectiveness of skilled trades personnel and the success and viability of the operations they serve. Establishing new levels of competence within the apprenticeable trades through training and retraining will permit the Union and the Corporation to pursue the critical objective of continuous improvement in quality, flexibility, operational effectiveness and, in turn, enhance job security.

The parties also discussed that in view of the fact that a number of skilled trades employees are currently on layoff and/or protected status the need for new Apprentices during the term of the Agreement is diminished.

Consistent with these discussions and in response to current skilled trades demographics, potential future retirements, and attrition, the Corporation has agreed to review the need for additional apprentices, and during the term of the 2003 Agreement, business conditions permitting, will place (sixteen) 16 apprentices in the program. The distribution of Apprentices may be equally allocated on an annual basis beginning in 2005. The Corporation will place the new Apprentices into the core trades that are

representative of the skill sets present in world class automotive manufacturing operations in the United States. Based on a semiannual review, should the Corporation determine it cannot meet this objective, the Corporation will provide the Union the reasons it cannot meet the objective, and the parties will make an adjustment to the objective as appropriate. Every effort will be made to manage the flow of accessions to facilitate the orderly scheduling of core skills training for new Apprentices.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
Kenneth J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: Lloyd Mahaffey

Skilled Trades Project Coordinator

August 15, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the parties discussed the utilization of skilled trades' employees on project work and the effectiveness of the Skilled Trades Project Coordinator classification.

- The parties have agreed that the classification of Skilled Trades Project Coordinator will be expanded and made available to all U.S. manufacturing and assembly plants.
- Both local parties agree to participate;
- The plant submits a joint request in writing to the Corporation and the DaimlerChrysler Department of the International Union defining the scope and anticipated duration of the project; number of employees by classification in the project work group; training plans and the role to be performed by the Skilled Trades Project Coordinator;
- The rate for the Skilled Trades Project Coordinator who leads such work groups will be \$1.00 above their normal classification rate for the duration of a specific

project meeting the guidelines of this letter. The Project Coordinator must assume the key responsibility as well as, the majority of the representative task contained in the attached exhibit;

- Normally no more than three (3) employees at a location may be classified as Skilled Trades Project Coordinators at any given time. In the event a plant determines that there is a legitimate need for additional Project Coordinator(s), a joint written request shall be submitted to the Corporation and the DaimlerChrysler Department of the International Union for their consideration;
- The local parties will evaluate and measure completed projects for cost, timing, quality, and efficiency and provide such information prior to requesting approval for any additional projects; and,
- The program may be suspended at any plant based upon the recommendation of either party and with the concurrence of the DaimlerChrysler Department of the International Union and the Corporate Union Relations Staff.

The following are the Job Duties of the Skilled Trades Project Coordinator:

I. Key Responsibilities:

Accountable for operational and administrative aspects of the project work group, including progress toward group goals, shift start-up, overtime, record keeping, team training progress, safety and housekeeping. (Nor responsible for employee discipline not for authorizing hours of work or pay.)

- Function as a liaison between group members and other internal and external support functions.
- Provide information and advice to Management and outside contracting subcommittees, as appropriate.
- Plan, organize, and facilitate project work group meetings to resolve problems, competitiveness, and other issues in the spirit of continuous improvement.
- Coordinate the activities and assignments of all employees assigned to the project work group including different skilled trade classifications and non-skilled employees based on the specific requirements of the project.

II. Representative Tasks:

1. Plan, schedule, and facilitate project work group meetings.
2. Coordinate maintenance and project activities between production, engineering, and scheduling activities.
3. Solve problems using authority delegated — including discussions with appropriate plant personnel or outside project representatives.
4. Plan and coordinate project work group activities and assignments as necessary.
5. Plan and provide or arrange for appropriate training (OJT or classroom).
6. Promote safety, quality, and housekeeping.
7. Promote and ensure constant improvement in the group (e.g., quality, cost, and efficiency).

8. Obtain materials and supplies for the group.
9. Be knowledgeable of all operation within the project work group; provide coverage for group members who are away from the work area (i.e., absent, emergency first aid, etc.). And perform other tasks to facilitate project goals.
10. Maintain team records, such as overtime scheduling/equalization, training, etc.
11. Participate in management meetings and communicate the needs of the team.
12. Responsible for morale and performance of the team.
13. Encourage group to meet responsibilities.
14. Other tasks as determined by the specific project requirements.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Apprentice Diversity

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

During the 1997 Negotiations the parties discussed many aspects of the Chrysler-UAW Apprenticeship Program, including diversity issues. The parties recognized that additional methods and strategies must be considered which might better prepare individuals who may want to select the skilled trades as a profession. Further, it was agreed that every effort must continue to be made in outreach activities to inform, educate, and encourage potential minority and female candidates to consider skilled trades work as a future career option.

To this end, the parties have agreed to establish within ninety (90) days of ratification of the 1997 Chrysler-UAW Agreement, a committee composed of four (4) members of the Apprenticeship Committee, two (2) of whom shall be Representatives of the International Union and two (2) of whom shall be Representatives of the Corporation. The Committee will study and recommend new approaches to attract a more diverse pool of qualified candidates for future skilled trades opportunities. The recommendations of this committee shall be presented to the full membership of the Chrysler-UAW National Apprentice Committee for consideration and implementation.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

Radio and Pager Maintenance

September 4, 2002

Mr. Nick Vuich
Chairman
Jeep Unit — UAW Local 12
Toledo, Ohio

Dear Sir:

This letter is to reaffirm that historically Toledo Assembly's Electricians have performed repairs of plant radios and pagers. At the present time, there are no plans to change the current practice. This agreement will remain in effect for the duration of this Agreement.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/Nick Vuich

Double-Shifting

August 21, 2002

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of negotiations, the parties discussed the assigning of overtime within the skilled classifications. This letter is to reinforce what we have commonly understood to be a sound operating principle. The parties agree that, under normal circumstances, it is not advantageous to schedule employees holding skilled classifications for more than twelve (12) hours per day. When it is necessary to work overtime, the Company will make reasonable efforts to utilize off-shift employees holding the same classification to fill vacancies due to manpower issues. It is also understood that this understanding does not preclude employees in exceeding twelve (12) hours when deemed necessary to ensure operational efficiencies. The parties further agree that conflicts that arise due to this operating principle will be brought to the Plant Labor Relations Department for resolution.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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Weekend Overtime Opt-Out Letter

September 11, 2002

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

The parties recognize the need to stay globally competitive and to maintain the momentum gained from the lean manufacturing principles applied to this complex. To that end, there will be times in which weekend overtime work, due to weekend production, will be required. As a result, the subject of opting out of said overtime was discussed at length.

During current market conditions, while weekend production is running equal to or less than one (1) time per month, the employee whose work content is affected by the production will be required to work that overtime in order to maintain the continuity of operations.

If, however, such a time occurs that weekend production occurs on a more frequent basis, the parties agree to both return to the established guidelines in Article XI, Paragraph 1, as well as meet to discuss possible alterations to the "Opt-Out" procedure.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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PAA Holiday Pay Conversion

December 18, 2003

Mr. Lloyd Mahaffey
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

During 2003 negotiations, the Union expressed their desire to adopt a Paid Absence Allowance (PAA) procedure for Skilled Trades employees who work on a designated holiday, and are otherwise eligible for holiday pay.

As a result, the Company agrees to implement a PAA holiday pay conversion procedure for skilled trades employees with holidays occurring after January 19, 2004.

The PAA holiday pay conversion procedure will enable skilled trades employees who work their scheduled hours on a designated holiday to convert holiday pay to PAA hours. The converted hours may be used as additional PAA hours at a later date under the following circumstances and conditions:

- Employee worked his/her scheduled hours on designated holiday(s) identified in Section (327)
- Employee elects, in advance of the holiday, to convert eight (8) hours to PAA in lieu of receiving holiday pay
- Employee requests PAA time off (must be in increments of forty (40) hours to be taken on consecutive days) from his immediate Supervisor upon accumulating a minimum of forty (40) hours of PAA

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- Employee will receive a lump sum payment for any unused PAA hours in accordance with the current payout process for other PAA hours

Very truly yours,
Ken McCarter
Vice President - Union Relations
DaimlerChrysler

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Specialized Training

September 23, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of negotiations, the Union expressed interest in training for Skilled Trades employees on specialized work assignments currently performed by outside contractors. The parties discussed this at length within the framework of the necessity to remain competitive in a global automotive industry. In the past, many challenges arose a result of pre-existing barriers such as overtime, manpower movement, etc. that prevented the Company from fully utilizing its Skilled Trades workforce. The Company and the Union were in accord that the lack of flexibility threatened its ability to be truly competitive.

The common goal of the Company and the Union is to become a world-class manufacturer and the benchmark of the industry. Intense foreign and domestic pressures have forced both parties to find new ways of doing business. To that end, a commitment was made to explore opportunities to better utilize its existing workforce and expound upon the current knowledge base. The parties agreed to finalize a business case for specialized training which provides for creative ways to utilize those skills to enhance the business enterprise. Specialized training and improved processes to better utilize our workforce also corresponds to the goal of migration toward Skilled Trades teams.

To maintain operating efficiencies while facilitating

sophisticated training, new ways of assigning work have to be adopted. In order to enhance cooperative efforts and to create a framework promoting teamwork and non-adversarial communication while sustaining an environment that promotes constructive problem solving, the following guidelines were agreed to as a result of the discussions:

- The parties acknowledge the necessity to maintain and continue to develop certain specialized skill sets such as vibration analysis, spraymation lab, infrared analysis, facility walkthrough, etc. in addition to developing new types of specialized skill sets such as fiber optics installation (all communication wires) and torque gun systems.
- Employees who accept work assignments that require specialized training will be required to stay in their current work assignment for eighteen (18) months from the completion date of the training.
- Employees who possess specialized skills and accept new work assignments will be retained in their current work assignment until a replacement is fully trained and proficient in the necessary subject matter.
- Employees who possess specialized skills may be scheduled to any shift out of line of seniority or overtime hours as well as assigned to other forms of alternate work schedules.

Sincerely,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

Resolution of Jurisdictional Work Assignment Disputes
November, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the parties had discussions concerning the assignment of work according to mutually agreed upon jurisdictional determinations.

This is to confirm the Company's commitment to the assignment of work in a manner consistent with these mutually agreed upon jurisdictional determinations. If the Union believes the work was assigned in a manner inconsistent with such determinations, the Union should bring the issue to the attention of the Labor Relations Supervisor for immediate resolution.

If the matter can not be satisfactorily resolved by the local parties, the matter may be referred to the UAW Regional Representative and Corporate Union Relations for resolution.

Additionally, the parties recognize the necessity to establish an effective means to address issues currently identified. Upon ratification and as soon as practicable, a joint task force consisting of representative from, but not limited to, Plant Human Resources, Local Union leadership, Corporate Union Relations and Human Resources, International UAW and Region 2B UAW will be formed.

Very truly yours,
Thomas G. Maxon
Senior Manager - Human Resources

Toledo Assembly Plant
Project Crews

September 23, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of negotiations, the parties discussed the full utilization of Skilled Trades employees, including the performance on project work. The Union expressed concern over seniority employees not having the opportunity to participate in projects throughout the complex. To that end, the parties agreed that in the event the plant secures project, construction and/or other specialized work, to bid work assignments to eligible seniority employees according to the following guidelines:

- The company will identify & define the scope of work as well as the projected length of the project(s).
- The company will establish the number of employees and the shift to complete the project competitively and efficiently.
- A Project Coordinator may be identified to lead the work group where applicable.
- Project work assignments will be bid to the appropriate classification(s) complex wide to seniority employees who are eligible to participate in the bid process.
- Subsequent openings will be bid according to the 2003 primary bid language.
- Separate overtime groups will be established for each approved project.

- Upon completion of a project, employees will be utilized to fill manpower requirements created by absenteeism, vacations, inverse layoffs, and temporary or permanent openings.

In the event of a reduction in force, the parties agree to return to established guidelines in the Skilled Trades Supplement, Section 7.

Sincerely,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

Overtime Canvass

September 23, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

The parties agree that there is a need to monitor and react to acceptance rates for weekend overtime in Skilled Trades. To that end, the parties had lengthy discussions regarding the impact on operations due to a lack of manpower during weekend overtime in Skilled Trades. In order to ensure a full crew is available for each shift, the procedure must reflect an efficient and sound process that enables the Company and Union to timely schedule, and where necessary, react to shortfalls. Additionally, the Union expressed concerns regarding shift preference on overtime.

Accordingly, within three (3) months upon ratification of the Agreement, the parties commit to review the overtime canvass procedure and to accordingly post plantwide. When reviewing the above, it's necessary to ensure the administration of the process is aligned with the governing guidelines. The procedure will be periodically reviewed and modified, if necessary, to address shortfalls and to implement corrective measures that maintain operational efficiencies within each department.

Sincerely,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

Joint Review of Sourcing Issues

September 17, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

The parties agree that (to remain globally competitive in our industry) mutual sharing of information and good communication are critical to the success of both parties.

The parties agree to jointly review potential opportunities to fully utilize our workforce. To this end, the Union expressed interest in interactions with other parts of the organization, such as AME, to review changes in tooling, equipment, etc. Modifications to tooling, facility and product processes are being planned. The Company will ensure the information will be made available for discussion in preparations for modifications, etc.

The involvement of the Union on the issues listed above are encouraged from all levels of Management, AME, etc. The Company assures the Union that information will be made available through Outside Contractor Review meetings prior to any outside contracting / outsourcing.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

Concur:
/s/ Nick Vuich

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Skilled Trades and Work Structure Plan

October, 2003

Mr. Lloyd Mahaffey
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

During the 2003 negotiations, the parties recognized that a highly skilled workforce which supports production and focuses on core maintenance activities is an essential element of Toledo Assembly Complex's long-term success and job security of its employees. Accordingly, the parties agreed to develop a Skilled Trades classification and work structure that migrates to world class levels during the term of the Agreement.

Towards that end, by November 1, 2003, a joint taskforce, composed of members selected by the Jeep Unit Chairman and the Plant Manager of the Toledo Assembly Complex, will be formed. The taskforce will develop proposals that support the deployment of a world class benchmark classification and work structure during the course of the Agreement. The taskforce will support and coordinate the implementation of the proposal and in concert with the LEPC to insure the unique operational considerations of each manufacturing facility are addressed.

The taskforce will also assist in the development of training programs to address the skill sets of the employees involved in the classification and work restructuring effort in addition to other related issues.

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The taskforce's final proposal shall be ready for implementation on or before May 1, 2004 for immediate deployment.

The Skilled Trades Classification Plan is attached to this letter.

Very truly yours,
DaimlerChrysler Corporation
By: Kenneth J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: Lloyd Mahaffey

Attachment to "Skilled Trades & Work Structure" Letter
Skilled Trades Classification Plan

Special Program Offering

- During the third quarter of 2004 Special Programs (\$70K) would be offered in classifications that have Skilled Trades employees on indefinite layoff or protected status.
- Additional Special Programs would be offered on a one-time basis only in the first quarter of 2005, 2006, and 2007 for all eligible skilled trades employees.
- Each Special Program would be offered in the first quarter of each year requiring program participants to retire by the end of the second quarter of each year.

Full Utilization of Skilled Trades

December 6, 2003

Mr. Lloyd Mahaffey
Regional Director - Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

In our negotiations leading to the Production and Maintenance Agreement dated today, we discussed in great detail the meaning of full utilization of Skilled Trades manpower, as referenced in Letter (209) Full Utilization of Skilled Trades, during periods when outside contractors are being utilized to perform work on the plant premises.

The Union insisted that the Company do everything it can to "perform maintenance, construction and tool & die work with its own employees," placing "primary reliance on its own skilled trades employees," "fully utilize its seniority employees," and maintain "maximum employment opportunity", and "always keep the interest of our personnel in mind".

In response to this matter, the Corporation assured the Union that its policy is to fully utilize its own employees to perform maintenance, tool & die, and construction work provided skilled trades employees are available to work and can complete the project under review consistent with cost and timing parameters as well as supporting production requirements of the plant.

The parties agreed the definition of "full utilization" may not necessarily be limited to skilled trades employees

working five (5) days per week, eight (8) hours per day but, also, is not necessarily seven (7) days per week, twelve (12) hours per day but may extend to daily, weekend and other overtime periods, when outside contractors are on the plant premises and are performing work customarily and historically performed by UAW bargaining unit personnel.

Any alleged abuses of the aforementioned may be referred to Corporate Union Relations and the UAW DaimlerChrysler Representatives to assist in resolving these issues.

* Letter 209 from the 2003 DaimlerChrysler - UAW National Agreement referenced above is located in the back of this Supplement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved
INTERNATIONAL UNION, UAW
By Nate Gooden

September 27, 1999
(209) Full Utilization of Skilled Trades

International Union, UAW

Attention: Mr. Stephen P. Yokich

Dear Sirs

During our discussions relative to outside contracting, the utilization of DaimlerChrysler skilled trades employees has been a matter of mutual concern. Although no agreement was reached regarding the definition of "full utilization", the parties did agree that the appropriate forum in which to address this issue is at the local level, in conjunction with the outside contracting review process. It was indicated that the definition of full utilization will vary from location to location, depending upon the circumstances of each contract, including the number of skilled personnel involved, the number of hours allocated to the project, and the extent to which outside contractors are contemplated for utilization on weekend work.

The parties agreed that the following additional considerations may also bear on the definition of full utilization:

- i) Whether a contractor will perform work on overtime during the workweek and/or on a weekend.
- ii) Whether skilled trades employees are on layoff or in Protected status.
- iii) The necessity for specialized equipment not readily available at a cost which, when added to other factors, exceeds the cost of a contractor performing the work and/or contractor work skill sets or competencies that the Company may not possess.

iv) The percentage of affected trades, if any, to be assigned work along with outside contractors.

v) The requisite number of plant skilled trades employees available and/or willing to work overtime during the work-week and/or on a weekend which may be required to complete the project under review, consistent with cost and timing parameters.

Although no one of these considerations is necessarily controlling, each may be instrumental in assisting the parties in determining whether the skilled trades workforce is fully utilized as that concept relates to the decision to use an outside contractor.

Very truly yours
DAIMLERCHRYSLER CORPORATION
By T. Gallagher

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Stephen P. Yokich

OFFICE/CLERICAL AND ENGINEERING SUPPLEMENT

Section 1. General

(397) The provisions of the Agreement dated **December 29, 2003** between Toledo Assembly Plant and Local 12, UAW and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, shall apply to the Company's Office and clerical and Technical and Engineering employees unless such terms and conditions are specifically modified or excluded by this Supplement.

(398) The rate manual, departments covered by this Agreement, letters, and seniority lists covered by this Supplement are set forth in the Rate Manual.

Section 2. Probationary Employees

(399) New employees hired in either the Office and Clerical Unit or the Technical and Engineering Unit shall be considered as probationary employees for the first one hundred twenty (120) days of their employment in their respective period shall be accumulated within not more than one (1) year. When an employee finishes the probationary period, by accumulating one hundred twenty (120) days of employment within not more than one (1) year, he shall be entered on the appropriate seniority list and shall rank for seniority from the day one hundred twenty (120) days prior to the day he completed the probationary period. There shall be no seniority among probationary employees.

Section 3. Acquiring Seniority

(400) In interpreting Article IX, Paragraph 1 of the Agreement, a probationary employee acquires seniority

ty at the completion of his shift on his 120th day of employment, provided however:
If he works any part of the 120th day and is laid off on that day, he will be considered a seniority employee. If he is discharged before the end of his shift on the 120th day, he will be considered a probationary employee. Days lost during the probationary period for the following reasons will not be considered as "days of employment":

1. Any period of five (5) or more consecutive normal work days on which the employee does not work such as model change, temporary adjustments, inventory, non-occupational disability, or personal absence or any combination thereof.
2. Days lost due to a strike or other interference with production whether authorized or not.
3. Days lost due to disciplinary layoff.

A probationary employee whose 120th day of employment falls on a designated holiday, or a Saturday, or Sunday, and who is not scheduled to work that day, will be considered a seniority employee as of the completion of his shift on the 120th day provided he reports for work as scheduled following such holiday, Saturday or Sunday. If the employee fails to report for work as scheduled following a designated holiday, Saturday or Sunday on which his 120th day of employment fell, and is thereafter separated from employment without returning to work, he will be considered a probationary employee and separated as of his last day worked.

Section 4. Seniority—Other

- (401) The seniority date of employees presently on roll is properly reflected on the current seniority lists.
- (402) Any employee transferred into an Office and Clerical or Technical and Engineering Classification from another unit within the bargaining unit covered by the Agreement shall be required to serve a new probationary period.
- (403) The seniority ranking of employees will be determined by using the lowest last (4) digits of the employee's social security number. In those instances where duplicates exist, seniority will then be determined by proceeding to the fifth lowest number or until the lowest number is established.

Section 5. Bid Right—Office/Clerical Only

- (404) When jobs are created, reclassified, or permanent vacancies occur, the following procedures shall apply when filling such vacancies:
- a. The job shall be posted in the department, with the employee in that department having the greatest seniority receiving such bid. The resulting opening will be posted by the Employment Office in all applicable departments for three (3) working days and such posting shall include the date of posting, basic qualifications, complete job description salary of the job, and final date of acceptance of job applications. The resultant opening will be filled by the Employment Office.
 - b. Open jobs (vacancies), if not filled within the department where they exist, shall be posted by the Employment Office in all applicable departments for a period of three (3) working days and such posting shall include the date of posting, basic qualifications, complete job description, salary of the job,

and final date of acceptance of job applications. The resultant opening will be filled by the Employment Office.

- c. If the open position(s) cannot be filled on the basis of the above procedure, then the position is open for new hire.
 - d. Selection will be made according to seniority, ability and basic qualifications to include employees laid off from the Office and Engineering Groups.
 - e. If work is moved, Article IX, Paragraph 20, Subparagraph (166) shall be applied.
 - f. If a temporary opening occurs and a replacement is needed, it shall be filled through the Employment Office. If such opening becomes permanent, the procedure as outlined in (a) through (d) above shall apply. (Refer to proposed letter titled "Supplemental Engineering and Office Workforce" for procedures on supplementing temporary openings).
- (405) In all cases, all employees must meet the basic qualifications according to the job description and have the proper ability to do the job. **Management and the Union** shall insure that said employees possess such qualifications.
- (406) In proper cases, testing procedures and actual tests as agreed to by the Company and the Union shall be used to determine ability for the employees. These tests shall be administered by the Company with a Union representative present.
- (407) The Company shall notify all successful applicants of the disposition of their application within 24 hours.

Section 6. Bid Rights - Technical/Engineering

- (408) When jobs are created, reclassified, or permanent

vacancies occur, the following procedures shall apply when filling such vacancies:

- a. The job shall be posted within the classification, with the employee in that classification having the greatest seniority receiving such bid. The resulting opening will be posted by the Employment Office in all applicable departments for three (3) working days and such posting shall include the date of posting, basic qualifications, complete job description, salary of the job, and final date of acceptance of job applications. The resultant opening will be filled by the Employment Office.
 - b. Open jobs (vacancies), if not filled within the classification where they exist, shall be posted by the Employment Office in all applicable departments for a period of three (3) working days and such posting shall include the date of posting, basic qualifications, complete job description, salary of the job, and final date of acceptance of job applications. The resultant opening will be filled by the Employment Office.
- (409) When an Engineering employee is recalled to his former classification, he will be paid a rate within this classification relative to his former rate; however, if the employee accepts a lesser classification in his former department he will be paid the highest rate in this classification. If the highest rate in the lesser classification is higher than his former rate, he shall receive his former rate.
- (410) If the employee accepts a classification in any other engineering group, his pay rate will be subject to negotiations based on his qualifications and ability to perform work.

Section 7. Layoffs Pro-Rating Rights—Recalls

- (411) When a **permanent** decrease in the force is necessary, employees shall be laid off by classification, in order of seniority; however, ability of employees shall be a factor in such recall and layoff. All layoffs made out of line of seniority will be subject to the approval of the Executive Committee.
- (412) When an Office employee is laid off, the employee shall report to the Employment Office to exercise seniority, ability and basic qualifications permitting. If an employee is displaced for any reason from a department, the Company must release the employee within a **reasonable time to protect the efficiency of the operations.**
- (413) Employees must take any open job in his last permanent salary grade, seniority and qualifications permitting. If there are no open jobs, he shall bump the youngest seniority employee in his last permanent salary grade **seniority and qualifications permitting.**
- (414) The employee then shall bump the lowest seniority employee in a higher grade until he has exhausted his seniority in the higher grades, then he shall bump down below the salary grade laid off from.
- (415) It shall be the responsibility of supervision to give proper instructions to employees new to any job.
- (416) Laid off employees shall be notified by the Employment Office of all open jobs and/or new jobs before new people are hired, provided they notified the Employment Office of any new skills they have acquired that might qualify them for such job.
- (417) If an employee's job is eliminated and the job is reactivated within thirty (30) days, the employee that was laid off shall be given the choice of returning to the job.

Section 8. Reduction in Engineering Force

- (418) When there is a **permanent** reduction, such layoffs

shall be by the lowest seniority employee within the classification in the department.

- (419) The effected employee may then bump the lowest seniority employee in the following order:
- a. same classification
 - b. in another classification within the seniority group provided the employee has the ability to perform the work.

Section 9. Engineering Reclassifications

- (420) When an Engineering employee is to be reclassified within his own seniority group such reclassifications shall be based on ability and seniority within that seniority group.
- (421) An Engineering employee reclassified in his own seniority group to a classification he previously held will return to his former relative salary position.
- (422) Before an employee is reclassified to a permanent position, if there is an employee with greater seniority laid off with the classification that the permanent position is reclassified as, such employee shall be recalled.

Section 10. Rate Progression—Office and Clerical

- (423) In the Office Rate Section, the policy which has been in effect with references to the time at which Office employees receive increases shall be outlined in the appropriate section of the rate book. Office employees in salary level 10, 11 and 12 will receive automatic increases as provided in their appropriate section of the rate book up to the mid-point of their wage level. Increases beyond the mid-point of the appropriate wage to the maximum rate of pay for the wage level will be based on merit and ability. Merit reviews will be made on all such employees every six (6) months.

**Section 11. Performance Appraisal and Wage Increase—
Technical/Engineering Only**

- (424) The performance appraisal and wage increase program is intended to serve as a means of improving employee's effectiveness on the job as well as serve as the basis for wage increases and in preparing them for increased responsibilities.
- (425) Each employee's performance appraisal review shall be conducted once each calendar year between the period of July through September. Failure to do so shall subject the matter immediately to the Engineering Review Committee for review.
- (426) Newly hired employees will have their performance reviewed within six (6) months from date of hire.
- (427) The immediate supervisor will complete the appraisal form and conduct a formal performance appraisal discussion with each employee in the presence of the Steward.
- (428) In cases where an employee's performance is marginal or unsatisfactory, the supervisor will conduct a formal appraisal discussion within a three (3) month period.
- (429) When the discussion is completed, the employee will be asked to sign the appraisal form. This signature only acknowledges that a performance appraisal was held. It does not necessarily imply agreement with its content.
- (430) When the employee is granted an increase the amount will be influenced by the employee's individual performance and eligibility.
- (431) Increases will be processed as expeditiously as circumstances allow.
- (432) An employee and the Steward are to be notified of the wage adjustment only after the transaction has been approved and a confirming copy is made available for the employee.
- (433) In the event there should arise a dispute or problem

with respect to the wage increase that cannot be resolved at the department level, such matters may be referred to the Grievance Procedure.

Section 12. Advanced Technology—Office and Clerical Only

- (434) Where, as the result of advancing technology it is anticipated that an impact upon the scope of the Office Unit may occur, the Company will discuss the matter with the Review Committee. Such discussion will take place as far in advance of implementation of such a technological change as is practicable. The Company will at the time describe for the Union the extent to which such technological changes may affect the work performed by represented employees.
- (435) When work performed by Office Unit employees is altered as the result of technological changes, the employees will have the opportunity to progress with such technology. Where practicable, the Company will make available short range specialized training programs for qualified employees within the Unit.

Section 13. Engineering Training

- (436) The training of Engineering employees shall be the responsibility of the Company, jointly administered with equal representation from both the Company and the Union. The training program shall be considered as an inseparable part of this Agreement. It was agreed that the Engineering Training Committee shall consist of three (3) Company and three (3) Union members who shall be named as members of the committee at the signing of this Agreement.

Section 14. Retraining Engineering Employees

- (437) In the interest of keeping pace with changing times, methods and processes, an engineering employee will be considered for retraining in the technology of a clas-

sification or an occupation.

- (438) The administration of the Engineering Retraining Program shall be the joint responsibility of the Technical Training Committee which is composed of equal representation from the Company and the Union.
- (439) It is the duty of this Committee to review and evaluate each case as may be required and determine policy, procedure and standards as well as resolve any issues involving the individual or the Retraining Program.

Section 15. Training in Advanced Engineering Technology

- (440) In the interest of keeping pace with Advanced Engineering and Computer Technology, the Company will endeavor to train its Engineering employees in these new methods and technology(s) as the need arises.
- (441) Training in these new areas shall be the responsibility of the supervisors. However, when it is beyond the scope of the immediate supervisor to provide the necessary training, then such training shall be referred to the Engineering Training Committee who shall recommend, to those concerned, as to the best possible way to implement such training.

Section 16. Sick Time

- (442) For each month that employees have worked forty (40) hours or more, they will be allowed to accumulate one (1) day sick time allowance for personal sickness.
- (443) When such time is not used by the employee, it shall be accumulated from month to month and year to year. The maximum time that can be accumulated will be twenty-five (25) days, two hundred (200) hours. **Beginning May 02, 2004, the pay out of any excess over 200 hours will be eliminated. Beginning on the following dates the maximum accrual will be the**

hours indicated. There shall be no pay out for excess hours.

- May 01, 2005 - 180 hours
- April 30, 2006 - 160 hours

When an employee has accrued the maximum number of hours permitted hereunder, the Company shall continue to accrue additional sick time hours earned and not used by the employee.

- (444) An employee drawing benefits under the sick and accident provisions of the Health Security Plan or who is receiving benefits under an applicable worker's compensation statute for temporary total disability, shall receive and be charged only for sick pay in the amount equal to the difference between the amount of benefits he is receiving and his regular rate of pay.
- (445) Reasonable evidence, including medical evidence when requested, as to the accuracy of the reason, shall be presented to the Company before such time shall be allowed. The intent of this paragraph is to apply it to those employees who abuse the provisions of this Section.
- (446) For the purpose of computation under this paragraph, the employee's year shall **be the same as Vacation/PAA eligibility as referenced in Article XIV, Paragraph 7 of this agreement.**
- (447) An employee may utilize up to two (2) days of his accumulated sick time **per year** for personal business. To be eligible to use days for personal business, an employee must give at least five (5) working days advance notice to his supervisor, there must be no adverse impact on the operation involved, and if more employees working for the same supervisor request the same day off than can be accommodated, the employee(s) who requested first will be granted the day off.

Section 17. Engineering Vacations

- (448) Vacations will be granted at such time during the year as are suitable, considering both the wishes of the employee and efficient operation of the Engineering department concerned.
- (449) Accrued vacation for all employees on the Engineering Seniority List may be scheduled during the twelve (12) months following the end of the vacation period.
- (450) Vacations will be taken in a period of consecutive days beginning anytime during the week and shall consist of one or more weeks up to and including the number of days which the employee is entitled to under the vacation provisions of this Agreement providing such schedules will not interfere with departmental operations. Any deviation or alternate schedules, at the request of the employee, must have the approval of the employee's supervisor.
- (451) A vacation may not be postponed from one year to another and made cumulative or scheduled back to back with another year.
- (452) Engineering employees shall submit their vacation request by two weeks before the start of the vacation year. The department supervisor shall approve or disapprove this request by June 1. Any dispute will be resolved by the grievance procedure.
- (453) Any changes after the start of the vacation year will be subject to mutual agreement between the employee and the department supervisor.
- (454) Technical and Engineering employees are covered by the plant vacation shutdown provisions.

Section 18. Overtime

- (455) Overtime work shall be performed by the individual who performed the required work during the regular shift in order to ensure job continuity.
- (456) All hours not worked when an employee would other-

wise have been scheduled will be considered hours worked and will be shown on the employee's record.

- (457) Employees transferred or returning from an authorized leave of absence of four weeks or more shall assume the average hours then current for that classification.
- (458) Management will endeavor to the best of its ability to equalize overtime hours among employees on the same classification within the department on the same shift over a reasonable period of time.
- (459) Probationary employees will not work overtime unless all seniority employees on their classification in the same department on the same shift are working. Upon acquiring seniority probationary employees will be given the highest hours in their respective equalization group.
- (460) OFFICE AND CLERICAL ONLY—When Saturday, Sunday or Holiday overtime is required and where a group of employees hold the same classification on the same shift in the same department are regularly assigned to a like job or operation, the employee possessing the least number of hours in the equalization group will be afforded the opportunity to work the available overtime, provided such employee has the ability to perform such work without break-in.
- (461) Management will, to the best of its ability, provide notice to employees of overtime as far in advance as circumstances in each case permit; generally overtime notice will be given on Thursday for Saturday overtime, and notice will be given on Friday for Sunday overtime assignment. Management will endeavor to provide 4 hours notice on daily overtime.
- (462) Overtime will be charged at the rate of time for which the hours are compensated.
- (463) Overtime records will be maintained and posted in each department by classification and by shift. Upon request, management will make available a copy of

such records to the appropriate Union representative.

- (464) In instances where the Union feels that individual overtime assignments are excessive or excessive amounts of departmental overtime is continually worked, such cases shall be discussed between the Union and the appropriate company representative for prompt review and resolution.

Section 19. Overtime Premium

- (465) Employees shall receive time and one-half (1-1/2) for all hours worked in excess of eight (8) hours in any work day; all hours in excess of forty (40) hours in any work week, **and all hours worked on any Saturday.**
- (466) **Hours worked on a calendar Sunday or calendar holiday will be paid at double time.**

Section 20. Outside Engineering Contract Work

- (467) When the Company anticipates awarding engineering work to an outside source, which is like or similar to work normally performed by the department affected, the following policies shall prevail:
- (468) Notify in writing the department Steward. If a dispute exists and it cannot be resolved, it will be referred to the Unit Chairman or his designated representative and the Manager of Human Resources. If the dispute is still not resolved, the matter may be referred to the grievance procedure and the contract will be let to the outside source.
- (469) This policy encompasses engineering work and in addition, where practical, facility and maintenance work as may be required for the Engineering Division.

Section 21. Job Descriptions OFFICE & CLERICAL ONLY

- (470) A book of job descriptions shall be maintained and updated by the Employment Office and a copy provided the Office Chairperson. Any additional work added to an employee shall be subject to review and the job description updated. A copy of the changed or updated

ed job description shall be tendered to the area servicing steward.

- (471) The respective supervisors will submit the job duties of the job to be reviewed to the Employment Office and all other required information needed for a determination will be secured by the Office Chairperson.
- (472) Any unresolved disputes may be reduced to a written grievance and initiated at the 3rd level of the Grievance Procedure. If the grievance is referred to an arbitrator, he will be empowered to determine the proper pay grade for the job, using as a basis for his decision, but not limited to, the complexity and responsibilities of the job, a comparison with other jobs within the Office Unit, and the effort and skill required for the new job.

Section 22. Non-Represented Employee Returning to Unit—Office/Clerical

- (473) A supervisor or a non-Union employee returning to the bargaining unit will be placed on an open job in accordance with his seniority. After five (5) working days if there is no open job, he will bump the lowest seniority employee in his last permanent salary grade.

Section 23. Open Requisitions

- (474) Management will continue the practice that upon request, the Personnel Department will inform the appropriate Union Representative of approved requisitions for open bargaining unit jobs.

Section 24. Career Opportunity in Office/Clerical and Engineering Groups

- (475) Management agrees to give consideration to qualified employees who submit to the Employment Office a resume of their education, work experience and who specify the department and position they seek. Management retains the right to hire the most qualified

factory seniority group or new hire applicant. If the employee is promoted to a non-supervisory Office/Clerical or Technical/Engineering Bargaining Unit position and is thereafter transferred to a position in the Factory Seniority Group, they shall accumulate seniority while working in the position and when so transferred shall commence work as a Factory Seniority Group employee with a seniority ranking they had at the time of the promotion, plus the seniority accumulated while they were working in such position.

Temporary Hires

- (476) On occasions the Corporation finds it necessary to hire additional employees in temporary positions. Temporary employees are hired for a period not to exceed one hundred twenty (12) consecutive calendar days. They are used for such purposes as replacing employees on vacation or leave of absence. Temporary employees are not hired to fill positions which are permanent openings or where qualified laid off seniority employees are available. The utilization of temporary hires shall not diminish the rights of seniority employees under other Sections of this Agreement. Claimed violations of the above may be referred to the grievance procedure.
- (477) Because of the limited term of their employment, these temporary employees are not eligible for benefits available to regular employees under our agreement.
- (478) It is the Corporation's position that temporary employees are entitled to receive only the cost-of-living allowance, shift premium, overtime premium, and other general type adjustments applicable to Office and Clerical and Technical and Engineering employees.

- (479) Temporary employees hired to positions included in a bargaining unit would be subject to the Union security provisions of the Agreement and would be classified and paid in accordance with the normal plant procedures.
- (480) It is not intended that an employee be repeatedly hired as a temporary employee for the purpose of depriving the employee of benefits he would be entitled to receive as a regular employee.

Signatures—Office/Clerical and Technical/Engineering Supplement

/s/ T. Maxon
/s/ J. Hathaway
/s/ N. Weber

INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA (UAW)

(UAW Local NO. 12 Jeep Unit)

/s/ N. Vuich
/s/ M. Garrett

Supplemental Engineering Workforce

September 13, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

The parties had lengthy discussions regarding the Supplemental Engineering Workforce outlined in the letter dated August 14, 2002. If it becomes necessary for the Company to fill a permanent Engineering opening, temporary Engineers will be given the first opportunity after fulfilling the requirements in Section 6 of the Office/Clerical and Technical Engineering Supplement. When a temporary Engineer becomes permanent, his seniority date will be his date of entry into the Engineering group as a temporary Engineer.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

/s/ Nick Vuich

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Engineering Jobs -Established Standards

January 31, 1985

Mr. Lloyd Mahaffey
International Representative
UAW Local #12
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Mahaffey:

If for any reason an established standards is changed to an estimated standard, without meeting the criteria set forth in the time study provisions of the Agreement, and the Union disputes the fact that it is an estimated standard, if the company cannot produce the time study, and the Union substantiates the fact that there was an established standard from a past man assignment reflecting the time study reference number, the standard reflected in that man-assignment will be the established standard.

Very truly yours,
Thomas J. Noteman
Director, Industrial Relations

Concur:
Lloyd Mahaffey
International Representative

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Engineering Workforce

August 6, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of negotiations, the parties discussed the circumstances that will require scheduling probationary engineering employees prior to seniority engineers for work during plant shutdown periods and holidays.

As a result, the Company will endeavor to utilize seniority employees within the same classification and department prior to probationary engineering employees, except in cases in which this would cause an adverse impact on efficiency, such as the continuance and/or completion of a project.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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Supplemental Engineering & Office Workforce

August 14, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

From time to time, circumstances may arise whereby there is a temporary shortage of qualified employees to cover changes in manpower levels. In discussing the issue of supplemental employees for the Engineering and Office seniority groups, the parties agreed that it may be desirable to establish a supplemental work force. The supplemental work force candidates will be comprised of qualified, active and laid off Jeep Unit employees. The supplemental employees will be used to augment temporary skill shortages in the Engineering and Office groups resulting from temporary circumstances such as sick leaves or vacations.

Accordingly, the parties shall meet at a mutually agreed upon time to establish such groups, qualifications, and terms of the program.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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Engineering Phase-Up Classifications and Salary Structure

September 9, 2002

Mr. Nick Vuich
Chairman
UAW Local #12 – Jeep Unit
Toledo, OH

Dear Sir:

During these negotiations, the parties discussed the application of Phase-Up and salary structure to specific classifications in the Engineering Unit. As a result of these discussions, the parties have agreed that the following classifications are eligible for phase-up, beginning December 2, 2002, in accordance with the following table:

Class #	Base Classification Title	Base Grade	Phase-up Grade	# of Years Required on Base Classification
5239	Plant Engineer	16	17	10
5270	Engineering Specialist	16	17	10
5382	Process Engineer – Senior	16	17	10

Phase – Up Administration

Employees are eligible for phase-up if they have actually worked for the Corporation for the stipulated length of

time on the base classification, and provided the employee has performed satisfactorily during said time. Credit will be given for those months that the employee works the majority of the Monday to Friday workdays in the month. Credit will also be given for regular vacation days.

Increases for Phase-Up will be independent of the Merit Increase Program. In no case, will an employee's wage exceed the Grade Maximum.

Salary Structure and Progression

In addition, the parties have agreed to the adoption of the salary structure and progression steps outlined in the DaimlerChrysler UAW O,C & E Agreement for the classifications noted above effective December 2, 2002.

Where concerns are cited by either party regarding this letter, such matters will be referred to Corporate Union Relations for resolution consistent with provisions of the DaimlerChrysler UAW O,C & E Agreement.

Sincerely,
T. Maxon
Human Resources Manager

Concur
/s/N. Vuich

Suppliers in the Plant - Engineering

October 3, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the Union expressed concern for the security of its membership and frustration over certain communication issues as well as complaints over the job assignments of non-Toledo Assembly personnel while in the plant.

The Company agrees that early involvement in special projects is key to a smooth transition from concept, to build, to launch and sustainment.

In an effort to address these issues and to utilize the Bargaining Unit Engineer's considerable expertise, the Bargaining Unit Engineers will be utilized in project planning as early in the process as possible.

It is further understood that when supplier or non-Bargaining Unit personnel perform tasks on the plant floor related to their product, they will work in liaison with Bargaining Unit Engineers, including advance communication, when the work in question has historically been done by represented employees. The intent of this advance communication with an appropriate represented Engineer is to allow for the clarification of roles and responsibilities and to prevent unannounced entry into the plant by supplier employees.

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In addition, communication will be enhanced through department meetings with the O, C, and E Committeeman or his representative, whereby the parties will share upcoming project information, estimated duration, and forecasted disciplines.

The parties recognize that the future success of Toledo Assembly, its employees and the members of Local 12-Jeep Unit depend upon the cooperative effort of all concerned in building a world-class vehicle.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly

Concur:
Nick Vuich

201

Office and Clerical Work

November 7, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations the Union raised concerns with respect to a number of areas where they believed office and clerical work had been assigned to other than salary represented office and clerical employees. In order to resolve these concerns, the parties will meet within sixty (60) days of ratification of this agreement with the appropriate members of management and union to review these areas and proper assignment of work.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

/s/ Nick Vuich

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Nurses

December 12, 2003

Mr. Lloyd Mahaffey
Regional Director - Region 2B, UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

This will confirm our understanding that nurses laid-off due to outsourcing of medical services at the Toledo Complex will be afforded the same opportunities as outlined in the Special Programs / Workforce Reduction letter dated December 6, 2003 that was signed by the parties.

Very truly yours,
Kenneth J. McCarter
Vice-President - Union Relations
DaimlerChrysler

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Memorandum of Understanding —
Flexible Operating Patterns

December 16, 2003

Mr. Nick Vuich
UAW Local 12
Jeep Unit
Toledo, OH

Dear Mr. Vuich:

During these negotiations, the parties discussed the need for the Corporation to be flexible and adaptive to rapid changes in customer demand in the market place. When implemented, Flexible Operating Patterns will allow the Company to increase competitiveness, provide greater job security for our employees, more efficiently utilize assets and improve profitability.

This letter will confirm our understanding regarding models for the Alternative Work Schedule (AWS), and Four Day Work Week Flexible Operating Patterns (FOP's).

It is anticipated that the AWS, a three crew three shift work pattern, will be appropriate for implementation when customer demand dictates a need for incremental production capacity. With this work pattern, employees would receive thirty-five (35) minutes relief, and will receive fifteen (15) minutes pay for lunch. Team communication, as required, will be addressed during the relief period.

The Four Day Work Week is suitable in situations where more efficient plant operations can be realized with the additional benefit of a shorter work week for our employees.

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Dependent on customer demand for our vehicles, the parties agreed that the Corporation at its discretion may implement either the Alternative Work Schedule. Implementation of the Four Day Work Week will require advance discussion and approval of the plant LEPC. The applicable administration guidelines for these Flexible Operating Patterns are attached.

It is further understood that in implementing a Flexible Operating Pattern, the Management would not prejudice its exclusive right to schedule and determine the working hours pursuant to Article III, Paragraph I of the Agreement, or its exclusive right, subject to the provisions of the Agreement, to assign and schedule manpower to work a regular five (5) day, eight (8) hour schedule with daily overtime and weekend work.

Sincerely,
Ken McCarter
Vice-President – Union Relations
DaimlerChrysler

Accepted and Approved:
By: N. Vuich

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TOLEDO ASSEMBLY FOUR DAY WORK WEEK	
Provision	FDWW Administration
Production Employees Monday through Thursday	Two (2) crews, two (2) shifts working 10 hours each. Includes all non-production and non-skilled employees
Production Employees Friday	Employees may be required to work.
Production Employees Sunday/Holiday	Production shifts manned on voluntary basis.
Skilled Trades	Normal five day work week.
Non-skilled Maintenance	Same as production employees. Two (2) crews, two (2) shifts, working four (4) - (10) hour shifts.
Relief	Thirty-eight (38) minutes per ten hour shift.
Pay Provisions Wages Monday through Thursday	Employees paid ten (10) hours straight time for ten (10) hours worked Monday through Thursday.
Pay Provisions Monday - Thursday Overtime	Time and one-half will be paid for hours worked in excess of ten (10) hours.

Pay Provisions Friday	Paid at time and one-half.
Pay Provisions Saturday/Sunday Overtime	Per the Agreement
Holidays	Must work qualifying day(s). Ten (10) hours straight time paid for holidays falling on a scheduled work day. Eight (8) hours straight time paid for holidays falling on a scheduled day off.
Bereavement	Three (3) days converted to 24 hours and five (5) days converted to 40 hours. Taken in 10 hour segments Monday through Thursday except for the one four (4) hour segment in which the employee may choose to report to work for the remaining 6 Time hours or take it off without pay or penalty.
Military & Jury Duty	Pay up to ten (10) hours straight time for scheduled work shifts Monday through Thursday.
Vacation	Taken in full weeks with the employee being charged ten (10) hours vacation for each day taken.
PAA	Taken in five (5) and ten (10) hours segments.
Shift Premium	Applicable premium per the Agreement.

<i>Benefit Payments</i>	Per the Agreement. Neither party to be advantaged or disadvantaged.
<i>Training Funds</i>	Funding of programs will be achieved on the basis that the Corporation, Union and employees will be neither advantaged or disadvantaged.
TOLEDO ASSEMBLY ALTERNATIVE WORK SCHEDULE (AWS)	
Pay Provision	AWS Administration
Provision AWS Administration	Three (3) crews, three (3) shifts working 8.0 hours each. Includes all non-production, non-skilled employees.
Production Employees Monday through Friday	AWS provisions apply. Corporation may schedule one or more of the three (3) shifts as required.
Production Employees Saturday	AWS provisions not applicable. Production shifts manned on voluntary basis.
Production Employees Sunday/Holiday	The number of skilled trades crews will be established to protect the efficiency of the operations.
Skilled Trades	If three (3) crews are established, the following schedule should be adhered to: • Crew (A) works eight (8) hours Monday-Friday. Saturday is scheduled as required and Sunday work is voluntary.

	<ul style="list-style-type: none"> • Crew (B) works eight (8) hours on Monday, Tuesday, and Wednesday, and twelve (12) hours on Sunday. • Crew (C) works eight (8) hours on Thursday, Friday and Saturday, and twelve (12) hours on Sunday.
Non-skilled Maintenance	Same as production employees. Three (3) crews, three (3) shifts, working 8.0 hours each.
Relief	AWS production employees receive thirty (35) minutes per 8.0 hour shift.
Pay Provisions Monday through Friday	AWS employees paid eight hours for eight hours worked.
Pay Provisions Daily Overtime	Per the Agreement
Pay Provisions Saturday Overtime	Per the Agreement
Pay Provisions Sunday Overtime	Per the Agreement
Holidays	Per the Agreement
Temporary – Part-Time Employees (TPT's)	Receive pay for actual time worked.
Shift Premium	Applicable premium per the Agreement

<i>Benefit Payments</i>	Per the Agreement
<i>Training Funds</i>	Per the Agreement

ALTERNATIVE WORK SCHEDULE GUIDELINES

A. Alternative Work Schedule

1. Regular Work Days

There will be three (3) production shifts, Monday through Friday of eight (8) hours each.

2. Saturdays

The Corporation may schedule one (1) or more of the three-(3) shifts for Saturday production, as required, in accordance with the following four- (4) week schedule of consecutive Saturdays.

- 1st Saturday -three (3) shifts working eight (8) or more hours each
- 2nd Saturday -two (2) shifts working up to ten (10) hours each
- 3rd Saturday -two (2) shifts working up to ten (10) hours each
- 4th Saturday -two (2) shifts working up to ten (10) hours each

In recognizing the critical nature that maintenance has on the continuing success of such a production schedule, the parties agreed that multiple Skilled Employees Maintenance Crews, including a regular workforce for Saturday and Sunday, may be established as provided below.

B. Operations Covered

The Corporation and Union agreed that all hourly employees, will be included in the Alternative Work Schedule Provisions outlined herein.

C. Pay Provisions

1. Regular Workdays (Monday through Friday)

Employees will be paid for actual time worked in accordance with the provisions of the Agreement.

2. Premium Workdays

Saturdays -Three (3) Shift Alternative Work Schedule, Saturdays (traditional non-Alternative Work Schedule), Sundays and Holidays.

All Employees will be paid in accordance with the provisions of the Agreement during the aforementioned periods.

3. Pay Interpretations

On non-AWS Saturdays, productions employees scheduled to work will receive the same shift premium payment as they received during their regularly scheduled shift assignment in Monday-Friday workweek.

4. Relief

Relief time for employees on an Alternative Work Schedule will be provided in accordance with the Agreement between the parties.

5. Payment for Time Not Worked

Payments for time not worked (e.g., Bereavement, Jury Duty, short-term Military Duty, Holidays, and all other pay provisions) shall be as provided under the Agreement.

6. Benefit Payments
Sickness and Accident Benefits, Supplemental Unemployment Benefits and all other benefits shall be as provided under the Agreement.

7. Training Fund
Funding of programs will be achieved on the basis that the Corporation, Union and employees will be neither advantaged nor disadvantaged.

D. Termination

In the event the Corporation intends to terminate the three- (3) shift schedule, it will provide a thirty- (30) day written notice to the Union. Following such notification, Management agreed it will meet with the Union and discuss the method in which the realignment of the production workforce will be accomplished.

The parties recognize that all of the issues, changes and/or modifications attendant to the implementation of this unique operating pattern may not have been anticipated. The parties agreed that discussions will be held, as appropriate, to address and resolve additional matters of joint concern to the Alternative Work Schedule as they develop.

AWS SHIFT PREFERENCE AGREEMENT

In view of implementation of an AWS schedule (three-production shift schedule), Management shares the Union's concern of allowing seniority employees the opportunity to select the shift of their choice prior to the implementation of AWS. Both parties agreed this must be done in an orderly and efficient manner and on a one time only basis. Such employees will be given opportunity to apply for the shift of their choice. All applications must be filled out and returned to the Employment Office. The application will

be reviewed by the Human Resources Department and the Plant Executive Committee. Shift preference shall be given to such employees according to their seniority provided they have the ability to perform the work and that full protection shall be given to the efficiency of operations at all times.

It is further agreed that when employees are assigned to a shift in accordance with this AWS Shift Preference Agreement they shall be required to remain on that shift for one (1) year.

The parties agreed to establish a sign up and implementation period, which will be posted in the Plant.

AWS MEDICAL DEPARTMENT

During negotiations of the AWS agreement the Union expressed its desire that the Medical Department be open during all three production shifts. Management reaffirmed that the Plant Medical Department will be open during normal production hours of work.

MEMORANDUM OF UNDERSTANDING

ALTERNATIVE WORK SCHEDULE-SKILLED TRADES

Mr. Nick Vuich
UAW Local 12
Jeep Unit
Toledo, OH

Dear Mr. Vuich

In order for the apprentice to acquire as much training as possible, it is agreed by the parties that all apprentices will be assigned to the "A" Crew under the Alternative Work Schedule (AWS).

Upon satisfactory completion of the Apprenticeship Program, the new graduate may request the center, crew and shift of their choice, in line with their standing on the seniority list of their classification. Such transfer will be made as soon as possible after graduation.

Very truly yours,

Accepted and Approved:
By: N. Vuich

ALTERNATIVE WORK SCHEDULE

SKILLED EMPLOYEES MAINTENANCE CREWS

During recent discussions relative to the implementation of a three- (3) shift operation the Corporation emphasized the criticalness maintenance has to the continuing success of such a production schedule. The Corporation also explained in detail the necessity of establishing multiple Skilled Employees Maintenance Crews in order to fulfill maintenance requirements, which includes a regularly scheduled workforce for Saturdays and Sundays. In recognition of this need, the Union agreed to the establishment of such Crews in this unique circumstance. The scheduling of such three (3) shift Crews will be aligned as follows:

- *A Crew*: Regularly scheduled for eight (8) hours Monday through Friday, Saturdays will be scheduled as required and Sunday work will be voluntary.
- *B Crew*: Regularly scheduled for twelve (12) hours on Sunday and eight (8) hours on Monday, Tuesday and Wednesday, respectively.
- *C Crew*: Regularly scheduled for eight (8) hours on Thursday, Friday and Saturday, respectively and twelve (12) hours on Sunday.

In establishing the initial A, B and C Crews, Management will conduct a one (1) time canvass of all current Skilled Employees by seniority, to determine which shift, Crew and Center each employee desires to work. In the event the number of employees selecting the B and C Crews is insufficient to meet manpower requirements, new hire employees may be added to supplement these Crews.

The starting times for Skilled Employees will be established pursuant to the recent discussions by the parties. However, Management reserves the right to adjust these times as required and will discuss the matter with the Union in advance of any change.

The starting times for A Crew employees who volunteer to work on Sundays, holidays and changeover will remain the same as the employees regularly assigned start time.

In addition to the above, the following understandings have been agreed upon:

- When there is a surplus of manpower on one (1) of the respective Crews, volunteers from the affected Crew, or, in the absence of volunteers, the least seniority employees from such Crew will be reduced up to the number needed and assigned to fill an available opening on another Crew.
- If Skilled Employees on the B and C Crews are excused in advance from a regularly scheduled work day, they will be given full consideration to work on their off days provided there is work available in their classification they can perform.

Management further agreed that thirty (30) days prior to the termination of the Alternative Work Schedule, they will meet with the Union and discuss the method to be used in realigning the maintenance workforce.

AWS Implementation

December 16, 2003

Mr. Lloyd Mahaffey
Regional Director - Region 2B, UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

With the introduction of the AWS work pattern in the Toledo Complex, the Company agrees to ensure that the manufacturing operations will be facilitized to accommodate employee relief periods with appropriate availability of food service and restroom facilities.

Sincerely,
Ken McCarter
Vice President - Union Relations
DaimlerChrysler

Special Programs / Workforce Reduction

December 6, 2003

Mr. Lloyd Mahaffey
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

During these negotiations, the parties held extensive discussions regarding the potential impact that Parkway deactivation and other planned actions at the Toledo Complex might have on the current workforce.

Notwithstanding the contemplated product loading and capital investment considerations as well as current income security provisions provided to eligible employees, the Corporation recognizes the need to consider socially responsible programs to address potential layoffs resulting from deactivation of the Parkway facility as well as other planned actions affecting employment levels.

Accordingly, the Company will provide socially responsible programs consistent with the application to employees at facilities covered under the National PM&P Agreement that have been similarly impacted by a sale, deactivation, or plant closing. These programs include but are not limited to:

1. Eligible employees will be offered an Incentive Program for Retirement (IPR) opportunity comprised of a cash payment and a car voucher that when added will have a gross value for tax purposes of seventy thousand dollars (\$70,000).

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2. Eligible employees will be offered an opportunity for Early Retirement under the Pension Agreement.
3. Enhanced credited pension service will be offered when appropriate.

The parties will meet in advance to determine which of these programs apply.

Very truly yours,
Ken McCarter
Vice President – Union Relations
DaimlerChrysler

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Incremental Overtime Scheduling Provisions

July 28, 1997

Mr. Jack Sizemore
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

During these negotiations, the parties discussed the subject of consumer demand relative to both product quality and availability during favorable market conditions, and the serious concerns with respect to limitations associated with overtime scheduling provisions and facility capacity utilization.

As a result of these discussions, the parties acknowledged the need for the Company to be able to schedule additional production which may be required to meet favorable market conditions, together with the importance of ensuring an efficient and safe work environment for employee of Chrysler Toledo-Jeep. If such conditions exist the parties will agree to allow for the scheduling of up to one hundred (100) hours of production within each model year in addition to currently administered work week and overtime provisions within the Agreement.

The parties agreed that one or more of the following overtime scheduling alternatives (or combinations thereof) may be utilized to attain, in the aggregate, up to one hundred (100) hours of additional overtime production, as referenced above:

- Scheduling of additional Saturdays primarily during the period of January through April, not to exceed three (3) out of four (4) consecutive Saturdays within a given time frame.

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- Allow for the scheduling of up to ten (10) hours a day, per shift, Monday through Friday, for a period not to exceed eight (8) weeks during each model year.
- Joint, locally developed alternatives which will allow the Toledo Assembly Plant to meet consumer demand requirements of up to one hundred (100) production hours, incremental to the Agreement provisions.

In administering one or more of the above alternatives, appropriate overtime pay provisions and guidelines within the Agreement will apply. The Company further agrees to provide advance notice to designated Union Representative(s) and affected employees in an effort to ensure adequate communication and scheduling preparation.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved
INTERNATIONAL UNION, UAW
By: J. Sizemore

221

Team Building, Employee Participation & Morale

July 29, 1997

Mr. Nick Vuich
Chairman
Jeep Unit Local 12
2300 Ashland Avenue
Toledo, OH 43620

Dear Nick:

During these negotiations the parties discussed methods to improve and enhance morale, communications, and team activities for salary and hourly employees of the Toledo Assembly Plant. To that end, the Company has agreed to commit a maximum of \$10,000 annually to be used for these purposes. The Company and Union will meet as needed to mutually determine activities and initiatives appropriate for these purposes.

Very truly yours,
C.T. Dukes
Human Resources Manager

Concur
/s/ Nick Vuich

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Broken or Damaged Tools

December, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – Local 12
Toledo, Ohio

Dear Sir:

During the negotiations of the **2003 DaimlerChrysler-UAW (Jeep) Agreement**, the Corporation affirmed its commitment for the replacement of personal tools broken or damaged on the job specific to **Tech 1's** in Departments' **9550, 9390**.

The Corporation informed the Union that during the term of the **2003 Agreement**, the Corporation will repair or replace tools broken on the job by **the aforementioned** employees provided there is no evidence of employee negligence, abuse or improper usage, with the following limitations:

- 1) The maximum amount expended for the repair or replacement of any one tool shall not exceed \$100.00.
- 2) The maximum amount expended each year shall not exceed an amount equal to \$10.00 multiplied by the total number of **Tech 1 employees in department's 9550 and 9390** on the active roll at the plant in the last pay period ending in the month of June preceding the beginning of each year of the Agreement.
- 3) Only tools approved and deemed essential to performing an individual's job will be subject to replacement or repair in accordance with this understanding.
- 4) **Assembly Department Tech 1** employees will submit an inventory of tools on a semi-annual (twice a year) basis. It is the employee's responsibility to keep this inventory current. Employees who fail to maintain an updated tool

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inventory will not be reimbursed for broken or damaged tools pursuant to this letter.

- 5) Employees must present the broken or damaged tool to management when seeking reimbursement.

Toledo Assembly will establish a repair or replacement of broken tool procedure whereby **Assembly Department Tech 1** employees may arrange for the repair or replacement of approved tools. Any costs above \$100.00 for the repair or replacement of a broken tool will be the responsibility of the employee.

Very truly yours,
T.G. Maxon
Sr. Manager - Human Resources
Accepted and approved:

Concur:
/s/Nick Vuich

Severance Plan

July 29, 1997

Mr. Jack Sizemore
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

As we discussed in the recently concluded contract negotiations, and concurrent with the termination of the current Toledo-Jeep Plant Severance Plan, the excess monies (following the Plans' asset distribution at 115% of eligible employee entitlement) will become the asset base for the Chrysler VEBA (referenced in the final Offer made to the UAW on July 29, 1997). It is our intention to make a six cent (6¢) contribution to this Fund, similar to contributions currently made to the Severance Plan.

Further, it is our intention to establish a separate internal account/department into which receipts and disbursements of the VEBA will be made. The administration (Payroll) for the actual training of employees or the actual reduction in Health Care costs will also be assigned to this account.

It is understood that, while the accounts continued contributions are discretionary, the purpose for and utilization of assets contained in this VEBA must continue to be agreed to by the parties.

Sincerely,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

December 1, 1993

Mr. Jack Sizemore
Regional Director, UAW
2300 Ashland Avenue
Toledo, Ohio 43620

RE: Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 (Replaces Letter dated May, 1990)

Dear Mr. Sizemore:

The Plant has a continuing policy of providing equal employment opportunity in conformance with the Americans With Disabilities Act of 1990, Vocational Rehabilitation Assistance Act of 1973 and the Vietnam Era Veteran's Readjustment Act of 1972 and 1974 and will make reasonable accommodations in accordance with these laws. The Union also has long recognized the practical and moral value of these policies. Accordingly, it is agreed that, notwithstanding the provisions of Article VII of this Agreement:

1. An employee who is approved for work by the Medical Department but with PQX coded medical restrictions which limit the nature and type of the regular work he can do, may be transferred to an opening in his department or in the Plant that can be performed within the medical restrictions.
2. In the event there is no open job, the employee will be placed in accordance with his seniority on a job in his department that he can perform consistent with his restric-

tions. If there are no such jobs, then he will be placed in accordance with his seniority on a job in the Plant that he can perform consistent with his restrictions.

3. If, after exhausting the procedure described above, it is determined there is no suitable job for an employee with a PQX coded medical restriction, the employee will be returned to injury leave or laid off as unable to do work available - whichever is applicable.
4. An employee affected by reason of health or physical handicap shall be required to furnish the Medical Department a doctor's statement verifying the extent of the disability confirming the claim that his present job is detrimental to his health prior to a transfer or layoff in accordance with the above.
5. The Company and Union shall jointly administer this procedure with respect to placement of individuals under Section 2 of this letter with the assistance of the plant physician. In the event a dispute occurs, the parties may request a meeting with Corporate Union Relations and the International Union to resolve the matter.

Very truly yours,
C.H. Eschenbach
Executive Director - Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

Short Shifting – Wash-up Time

June, 1997

Mr. Nick Vuich
Chairman
Local #12 – Jeep Unit
Toledo, OH

Dear Sir:

This will confirm the understanding reached during the 1997 contract negotiations regarding wash-up time. The parties agreed that in those instances when short shifting occurs, wash-up time will not be provided.

Sincerely,
Craig T. Dukes
Human Resources Manager

Concur:
/s/ Nick Vuich

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Overstaying Vacation Leave

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

During the 1997 Negotiations, the parties discussed the application of Article IX, Paragraph 8, Subparagraph (140)(f) as it relates to employees who overstay their vacation leave of absence without approval of the Employment Office.

As a result of these discussions the Corporation agreed that employees who return from an approved Vacation Leave of Absence within forty-eight (48) hours immediately following the termination of such leave, will not be paid off AWOL as it relates to the application of Article IX, Paragraph 8 – Loss of Seniority, Subparagraph (140)(f).

Notwithstanding the above provision, employees are required to substantiate their absence for any period of time following an approved leave of absence, or otherwise, unless authorized by appropriate management representatives. Furthermore, the above practice in no way modifies existing attendance policies and procedures.

Very truly yours,
C.T. Dukes
Human Resources Manager

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: Nick Vuich

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Restroom Improvements

June, 1997

Mr. Nick Vuich
Chairman
UAW Local 12 Jeep Unit
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties mutually agreed to assess the need to improve various restroom facilities throughout the plant. To that end, the Company and Union established a list of restroom locations for improvement consideration.

The Company agreed to complete identified restroom improvements based on a reasonable time schedule agreed upon by the Union Relations Supervisor and the Jeep Unit Chairman. The Union Relations Supervisor and the Jeep Unit Chairman will meet within sixty (60) day following completion of negotiations to proceed accordingly.

Very truly yours,
C.T. Dukes
Human Resources Manager

Accepted and Approved
By: Nick Vuich

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Personal Leaves

June, 1997

Mr. Nick Vuich
Chairman
UAW Local #12 – Jeep Unit
Toledo, OH

Dear Sir:

During these negotiations, the parties discussed the problems presented by the application and usage of Personal Leaves of Absence as it relates to full protection of operating efficiency. This letter serves to clarify the understanding reached between the parties regarding Personal Leaves.

The contractual provision for Personal Leaves pre-dates the introduction of the Family Medical Leave Act (FMLA) of 1993. The FMLA provides eligible employees a number of weeks of unpaid, job protection leave for serious health conditions of the employee, the employee's spouse, child, parent, or for the care of a newborn child.

It is understood that Personal Leaves of Absence may be granted for the sole purpose of providing time-off for good cause. Personal Leaves will not be granted for the purpose of supplementing vacation entitlement. Employees who have exhausted their vacation eligibility, above and beyond time reserved for vacation shut-down period, and experience a serious personal hardship which does not qualify for FMLA may continue to request a Personal Leave through their department.

It is further understood that Departmental Management maintains final discretion in approving or disallowing a Personal

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Leave under twenty-eight (28) calendar days in length. Personal Leaves of Absence of greater duration will require additional approval from the Employment Office Supervisor.

Sincerely,
C.T. Dukes
Human Resources Manager

Concur:
/s/ Nick Vuich

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Supplier Quality

November 6, 2003

Mr. Nick Vuich
Chairman
UAW Local 12 Jeep Unit
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties discussed at length the issue of non-bargaining unit employees performing rework and/or sorting operations within the plant. The Company and Union recognize the importance of assuring supplier quality and accountability to ensure the production of world-class vehicles and to close the competitive gap. Due to the nature of the issue and production requirements, the parties recognize that non-bargaining unit employees would not be allowed to perform continuing rework and/or sorting operations. The parties agree non-bargaining unit employees will be allowed to perform continuing rework and sorting operations for a maximum of twenty (20) days to correct a specific problem, after which time the rework and sorting operation would be assigned to the plant employees or the nonconforming material will be returned to the supplier for rework and sorting. This agreement would not be in effect for a maximum of six (6) weeks following the introduction of a new part, model change, or launch of a new vehicle. The Company will continue to make available relevant information to the Union consistent with current practice.

This letter is also intended to reaffirm the Company's commitment to the process established in 2002 regarding

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yard purges. Any concerns related to suppliers on-site will be referred to the Supplier Quality Manager, Labor Relations Supervisor, and District Committeeman for immediate assessment and appropriate action when necessary.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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Union Dues Deductions

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

Notwithstanding the provisions related to Union Dues Deductions, the Company will remit all sums deducted from pay to the Financial Secretary of the Local Union using the present method or via electronic transfer to the Local Union financial institution.

It is understood that the Financial Secretary of the Local Union will notify the Company of his/her desire to have deductions electronically transferred. This change will be effective within ninety (90) days following notification to the Company.

If electronic transfer is selected, the payment will be made within two (2) to three (3) days after the first pay period in each month.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

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Local Technical Training Committee

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

During these negotiations, there was extensive discussion regarding the roles and responsibilities of the Local Technical Training Committees (LTTC). The parties agreed to continue the presently established LTTC's and to create such committees at UAW-represented Chrysler facilities where they do not currently exist. These committees will be responsible to identify training needs, and to plan and coordinate local technical training for production, as well as skilled trades employees.

The committees will be comprised of no more than four (4) Union and four (4) Management members, which shall include a production representative, a skilled trades representative, and the facility's Human Resource Manager or designee. Committee members, preferably with training responsibilities or expertise, will be selected by the Co-Chairpersons of the Local Joint Training Committee (LJTC). The NTC will develop training for such members of the LTTC.

Additional internal resource personnel may attend LTTC Committee meetings, as appropriate. It is understood that non-UAW and non-Chrysler persons will not serve in a deci-

sion-making capacity on these committees, but may provide professional assistance to the committee, as needed.

The LTTC will be a subcommittee of the Local Joint Training Committee and will meet monthly or as required by the LJTC Co-Chairs.

The National Training Center will develop Local Technical Training Committee guidelines and procedures within a reasonable time following completion of the National Agreement.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

Joint Leadership Involvement in Health & Safety

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

Each Chrysler location has established a Local Joint Leadership Committee in the area of Health and Safety. This committee was developed for the purpose of reinforcing direct involvement, by upper management and elected official leadership, in the attainment of the plant's general health and safety goals and in the resolution of ongoing plant health and safety issues.

During these negotiations, the parties mutually agreed to continue encouragement of the aforementioned involvement of the Local Joint Leadership Committee.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

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**UAW-DaimlerChrysler Scholarship Program
for Dependent Children**

September 29, 2003

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

DaimlerChrysler Corporation and the UAW recognize the importance of continuing education for college-aged dependent children of UAW-represented workers. In this regard, the Union and the Company agreed to continue the UAW-DaimlerChrysler Scholarship Program for Dependent Children.

The joint committee established by the Joint Activities Board will continue to direct the delivery of a program based on the following:

- **Eligibility:** Dependent children of active, retired, or deceased UAW-represented DaimlerChrysler employees who are pursuing post-secondary education or training at an institution accredited by a governmental or nationally recognized agency are eligible to apply for tuition assistance. For purposes of this program, the definition of dependent will be as defined in the UAW-DaimlerChrysler Legal Services Plan.
- **Scholarship Amount:** The program will provide for tuition and/or compulsory fees to be paid directly to the school providing the course in which the applicant intends to enroll. The scholarship is limited to an annual benefit level of up to **\$1,500** per eligible dependent.

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- Funding: Funding for this program, including administrative costs, will be provided through the UAW-DaimlerChrysler National Training Center as determined by the Joint Activities Board.
- Administration: The Plan will be jointly administered by the UAW-DaimlerChrysler National Training Center (NTC).

The National Training Center has the authority and discretion to interpret the terms of the Scholarship Program, including but not limited to, the authority and discretion to approve schools and courses, and to issue guidelines.

Payments under the UAW-DaimlerChrysler Scholarship Program for Dependent Children will be subject to applicable federal, state, and local income tax provisions.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By **J. Franciosi**

Accepted and Approved:
INTERNATIONAL UNION, UAW
By **Nate Gooden**

Retiree Use of Plant Employee Fitness Centers

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

This will confirm the understanding reached during the present negotiations regarding retired UAW-represented Chrysler employee use of in-plant Employee Fitness Centers. Retirees will be eligible to utilize the in-plant fitness center at the location from which they retired on a space available basis, at non-peak usage periods, when the local fitness center is in operation. The schedule of usage will be determined by the local joint parties based on factors such as location of the fitness center, present hours of operation, present plant membership usage, and other locally determined criteria. No incremental staffing, equipment, or extension of operating hours will be approved for retiree use of local fitness centers.

Retirees will be required to complete the proper registration process (membership registration, physician consent form, liability waiver, fitness assessment, etc.) that regular employees are required to complete in line with the UAW-Chrysler Fitness Center Guidelines.

It is further understood that nothing contained herein or in existing or future statements concerning Employee Fitness Centers or steps taken to implement its programs and related services shall be construed or interpreted as constituting a waiver of either the Company's or the Union's rights or responsibilities under the Collective Bargaining Agreement,

nor are the Centers intended in any way to create for any employee or retiree any enforceable obligation against the Company, the Union, or their representatives.

In addition, it is the parties' intent that any programs, approaches or related services provided in or through employee fitness centers are not to be construed as benefits or insurance programs.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

College Credit Certificate/Certification Program

June, 1997

Mr. Jack Sizemore
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Sir:

During these negotiations, the parties agreed to continue and expand efforts toward the development of certificate and certification programs.

In order to recognize and encourage the enhancement of competencies and increased professionalism, the National Training Center will partner with Universities and other learning institutions to identify and develop NTC and TTC courses of study, appropriate for certification or certificates. These courses would also award college credit toward degree-seeking programs for completed studies associated with our joint programs.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

**Employee New Vehicle Purchase Program Ordered
Vehicles/U.S. Build**

September 29, 2003

International Union, UAW
Attention: Mr. **Nate Gooden**

Dear Sir:

During these negotiations, the Union expressed concern regarding the subject of ensuring vehicles ordered through the Employee New Vehicle Purchase Program for employees are built at the appropriate U.S. plant. The Union cited concerns regarding UAW - Chrysler employees inability to order U.S. made product lines that are simultaneously produced in Mexico. The Company is sensitive to the desires expressed by the Union in this regard, and agrees to the following provision in an effort to accommodate our employees wishes.

The Company agrees, to maintain a system with our scheduling and distribution network that will enable new vehicle orders purchased through the Employee New Vehicle Purchase Program to be programmed to the appropriate U.S. plant if buildable. The Program will be limited to those product lines produced in St. Louis and **Warren Truck** that are also produced in Mexico. It is understood and agreed that during the course of this Program, periodically the Corporation may be required to move orders due to extenuating circumstances such as, but not limited to, component shortages and production scheduling needs.

In extending this provision of the Employee New Vehicle Purchase Program, it is understood and agreed that the Corporation may at any time modify, change or discontinue

this Program and it shall have no obligation to bargain concerning its decision to do so. The Union will be advised in advance of any such action. It is further agreed that the institution of this Program shall not constitute a precedent for future negotiations on this subject.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: **J. Franciosi**

Accepted and Approved:
INTERNATIONAL UNION, UAW

By: **Nate Gooden**

Stolen Tools

June, 1997

Mr. Nick Vuich
Chairman
UAW Local #12 – Jeep Unit
Toledo, Ohio

Dear Sir:

During these negotiations the parties discussed the procedure regarding stolen tools. Consistent with current practice the following procedure shall apply:

- (a) Prior to the Company giving any consideration to the replacement of personally owned tools, the employee must have previously submitted to a designated Management representative a complete list of such tools. All lists submitted shall, upon request, be subject to verification. The Management representative shall indicate the list as received and return a copy of same to the employee. Any tools that do not appear on the subject list shall not be considered for replacement.
- (b) The employee upon discovery, shall make an immediate report to the Plant Protection Department who shall furnish a copy of the report to the employee and the Labor Relations Department. Labor Relations shall then process the report. Upon reporting, the employee must show evidence of forced entry.
- (c) Tools which are left unattended or not secured shall not be considered for replacement.

- (d) Tool boxes which are of a size that they could be hand carried shall not be considered. A secure area for storage shall not be provided for these types of boxes.

Failure to comply with any of the above requirements shall negate any liability on the part of the Company.

Sincerely,
C.T. Dukes
Human Resources Manager

Concur
/s/ Nick

October 22, 2003

Mr. Lloyd Mahaffey
Regional Director – Region 2B UAW
1691 Woodlands Drive
Maumee, OH 43537

2007 Pass Throughs

Dear Sir:

This letter will confirm our understanding with respect to the pass through of economic provisions, which may be contained in the 2007 DaimlerChrysler – UAW National Agreement, to employees covered under the Toledo Assembly Plant Agreement.

The Corporation will pass through, on an equivalency basis, 2007 DaimlerChrysler – UAW National Agreement economic provisions that become effective during the term of the Toledo Assembly Plant Agreement. This applies to economic provisions consistent with the pass through of 2003 DaimlerChrysler – UAW National Agreement provisions which are presently incorporated in the Toledo Assembly Plant Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: K.J. McCarter

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: L. Mahaffey

Equal Application Committee

June, 1997

Jack Sizemore
Region Director - Region 2B UAW
1691 Woodlands Dr
Maumee, OH 43537

Dear Sir:

For many years the Corporation and your Union, in their respective fields, have been leaders in adopting and effectuating policies against discrimination because of race, color, religion, age, sex, national origin, status as a qualified person with a disability or membership in any other legally protected class, and to this end the parties have expressly incorporated in their Agreement an "Equal Application" provision that both insures adherence to that principle in all aspects of employment at Chrysler and provides the contractual grievance and arbitration procedure for the resolution of alleged violation of that principle. The parties now recognize the desirability of increased communication and cooperative effort on this subject (i) to encourage employees and grievance representatives to use the contractual method for the prompt resolution of all claims of denial of equal application rights or claims of sexual harassment, (ii) to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and (iii) to maintain liaison with appropriate federal, provincial and state civil rights agencies for the following purposes: (a) to increase understanding, (b) to promote and encourage the use of the contractual grievance and arbitration procedure in order to avoid multiplicity of litigation in many forums simultaneously which is frequently time consuming, contradictory and hence, nonproductive to relieving employee problems, (c) to seek solutions to mutual problems, (d) to

relieve tensions in this area, and (e) to exchange information, expertise and advice.

Accordingly, the parties have established an Equal Application Committee.

At the Toledo Assembly Plant an Equal Application Committee shall be established consisting of up to three (3) representatives of the Local Union and three (3) representatives of Plant Management. The representatives of the Local Union shall be limited to the Unit Chairman, the Unit Vice Chairman, and the Chairman of the Civil Rights Committee of the Local Union or a designate representative. The representatives of Management shall be the Plant Manager, or his designated representative, and two (2) Plant Management representatives at least one of whom is active in the Corporation's equal employment opportunity program. Local Plant Equal Application Committees shall meet during January, April, July, and November or at times mutually agreed upon, but no fewer than four (4) times a year. Copies of minutes from these meetings will be made available to the Union. Such Union representatives if not on a full time Leave of Absence for Union Business, and if working in the plant, shall receive pay from the Corporation at their regular hourly rates for time spent in such meetings or when jointly investigating and/or studying a complaint with a management member of the Local Plant Equal Application Committee, that they would otherwise have worked in the plant. Local Plant Equal Application Committees shall have the following duties:

A—Recommend to the Unit Chairman and Human Resources Manager ways and means of promoting use of the grievance procedure as the exclusive contractual method for resolving claims of denial of equal application rights.

B—Suggest guidelines for Union and Corporation representatives active in the grievance procedure in the proper and prompt handling of grievances alleging such claims.

C—Conduct or arrange for investigations and/or studies into the cause of equal employment opportunity and discrimination problems and tensions in an attempt to prevent such problems from arising.

D—Recommend to the Unit Chairman and Human Resources Manager means for determining the cause of equal application employment opportunities and discrimination problems and tensions in the plant.

The parties continue to recognize their legal and moral responsibility for assuring that all Chrysler employees have equal employment opportunities and freedom from discrimination. Consequently, the function of the Toledo Assembly Plant Equal Application Committees shall be advisory, consultative, and cooperative. While the Corporation and the Union will welcome the recommendations the Committees may make, the Committees may not commit either party to a specific course of action. However, the Union agrees that it will discourage its members from bypassing the grievance and arbitration procedure with respect to any claim or complaint against the Corporation which may be made the subject of a grievance under the contract.

Very truly yours,
C. T. Dukes
Human Resources Manager
Toledo Assembly Plant

Approved and Accepted
INTERNATIONAL UNION, UAW
By: (J. Sizemore)

Departmental Transfer Language

December 22, 1987

Dan Twiss, Chairman
Jeep Unit, Local 12
Toledo, Ohio 43657

On December 18, 1987, Company and Union representatives met to discuss a disagreement between the parties regarding the intent of the transfer language of the new agreement.

The union's position was that the language on inter-departmental and intra-departmental transfers and the "Transfers Permitted" letter limited the total number of moves from one opening in each department to six (6) moves, but not the total amount of movement plant wide.

The Company pointed out that the language was clear in limiting the number of manpower moves (intradepartmental, interdepartmental and shift-to-shift) plant-wide, resulting from and opening, to a total of six (6). The Company emphasized that one of its main objectives during negotiations was to limit manpower movement and adopting the union's interpretation would not accomplish that objective. The company specifically stated that the opening created by the inter-departmental transfer described in paragraph "d" of the "Transfer Permitted" letter was not another opening subject to an additional six (6) moves.

After considerable discussion the parties agreed during negotiations that the language limited the number of moves of plantwide as a result of one permanent opening.

The Union pointed out that during negotiations the preliminary discussions resolving the manpower movement issue

involved seven (7) moves and the "Transfer Permitted" letter only provided for six (6) moves.

The Company and Union agreed to resolve the entire matter by adding one additional move to the (1) inter-departmental transfer provided for in paragraph "d" of the "Transfer Permitted" letter, will be filled by one (1) intra-departmental transfer, from among those applications on file, if any.

Paragraph "F" of the "Transfer Permitted" letter would also necessarily be modified to provide that the seventh (7th), rather than the sixth (6th), "transfer, or less if applicants are not available, the resultant opening will be filled by the Employment Office."

Schematically the maximum moves would now be as follows:

1. Employee "A" retires from Trim on first shift.
2. Two (2) intra-departmental transfers on first shift in Trim.
3. One (1) shift-to-shift transfer in Trim.
4. Two (2) intra-departmental transfers on second shift in Trim.
5. One (1) inter-departmental transfer from Body (first shift) to Trim.
6. One (1) intra-departmental transfer on first shift in Body. Resultant opening in Body filled from Employment Office (other than inter-departmental transfer.)

This letter will be in effect at the Parkway facility until either one of the following occur:

- Implementation of Team Concept
- Deactivation

Very truly yours,
David Linn

Concur:
Dan Twiss

Discipline Procedure

December 2003

Mr. Nick Vuich
Chairman, Local 12
Jeep Unit
Toledo, Ohio 43657

Dear Mr. Vuich:

This is to **reaffirm** the understanding reached during the **2003** contract negotiations regarding separate progressive disciplinary systems for absenteeism, **tardies**, and other Company rule infractions.

The system for Company rule infractions other than for absenteeism **and tardies** shall remain the same. That system is as follows:

- 1st step — Written Warning
- 2nd step — 3 day disciplinary layoff (working days)
- 3rd step — 10 day disciplinary layoff (working days)
- 4th step — 30 day disciplinary layoff (calendar days)
- 5th step — Discharge

The systems for absenteeism **and tardies** shall remain separate **and distinct**.

Sincerely,
Thomas G. Maxon
Sr. Manager - Human Resources

Concur:
Nick Vuich

Non-Skilled Tasks

May, 1990

Mr. J. Sizemore
Regional Director, UAW
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Jack:

During negotiations leading to the Agreement dated today, the Company and the Union reached an understanding with respect to certain work assignment practices.

Non-skilled tasks listed below which are presently being performed by bargaining unit skilled trades employees, may, in the future, be assigned to UAW non-skilled bargaining unit employees in the General Services Operator classification; however, this will not preclude the assignment of these tasks to skilled tradesmen.

- (1) Tacking paint booths
- (2) Wiping down automatic spray equipment
- (3) Sucking water
- (4) Sweeping under conveyors
- (5) Cleaning roof
- (6) Changing light bulbs
- (7) Cleaning light bulbs
- (8) Pulling plastic
- (9) Washing cars
- (10) Grate removal and cleaning.

Very truly yours,
T.P. Duross
Human Resources Manager

BEST Safety Program

August 6, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:
During the course of these negotiations, the parties discussed the importance of a world class safety procedure for Toledo employees. To that end, Plant Management has agreed to pay expenses incurred as a result of attendance at BEST Conferences and associated program expenses.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Benefit Plan Representative

October 30, 1987

The International Union, UAW, may designate a Benefit Plans Representative.

- (1) The Benefit Plans Representative shall be selected by the International union from among those represented employees who have seniority and who at the time of selection are at work in the plant. The Benefit Plans Representative shall represent all represented employees at the plant with respect to the Pension Plan, the Insurance Program, the Supplemental Unemployment Benefit Plan and Supplemental Retirement Severance Plan.
- (2) The Benefit Plans Representative shall carry out the duties of Union representatives specified in the Pension Plan, the Insurance Plan, the Supplemental Unemployment Benefit Plan and the Supplemental Retirement and Severance Plan. Other Union Representatives in the plant shall not participate in benefit plan matters except insofar as any one of them has been designated to act as the second member of a local committee pursuant to the Supplemental Unemployment Benefit Plan and the Supplemental Retirement and Severance Plan.

Duties of the Benefit Plans Representative are:

- (a) To function as a member of the Local committee of the Pension Plan.
- (b) To function as a member of the Local committee of the Supplemental Unemployment Benefit Plan.
- (c) To function as a member of the Local committee of the Supplemental Retirement and Severance Plan.
- (d) To discuss with designated representatives of management those questions regarding a benefit plan or program.

- (3) The Benefit Plans Representative shall not participate in the grievance procedure and those matters with which such Benefit Plans Representative deals shall not be subject to the grievance procedure but shall be subject to the appeal procedure specified in the appropriate Plan or Program.
- (4) The Benefit Plans Representative shall not function as a provided herein and until the International Union (a) sends written notice to the Corporation of the name of the employee, his department and social security number, and (b) until the Corporation advises the plant of the designation and the effective date thereof.
- (5) The Benefit Plans Representative shall cease to function as provided herein upon receipt of written notice from the International Union to the Corporation. Such notice shall include the same identification information specified above.
- (6) The Benefit Plans Representative shall be subject to the following:
 - (a) The Benefit Plans Representative shall report to his Foreman or Supervisor at the start of his shift and shall advise his Foreman or Supervisor when he wishes to leave his work to handle a benefit plan matter and shall report to his Foreman or Supervisor when he has disposed of that matter.
 - (b) If it is necessary for the Benefit Plans Representative to speak to an employee about a benefit plan matter, he will make prior arrangements with the employee's Foreman or Supervisor to do so.
 - (c) The privilege of the Benefit Plans Representative to leave his work during regular working hours without loss of pay is subject to the conditions (i) that the time be devoted to the prompt handling of matters, which

are proper pursuant to the terms of this letter, (ii) that the privilege not be abused and (iii) that the Benefit Plans Representative will do the work to which he is assigned at all times except when it is necessary to leave his work to handle benefit plan matters.

The Benefit Plans Representative shall be assigned to the first shift.

Very truly yours,
David Linn
Human Resource Manager

Benefit Plans Representatives

December 1, 1993

Mr. J. Sizemore
Regional Director, UAW
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Sizemore,

During these negotiations, the Union expressed concern over the ability of the existing Benefit Plans Representative to adequately service the employees at the Stickney facility. The Corporation on the other hand expressed concern that the current ratio of Stewards to employees exceeded the number of allowable under the current Agreement.

In recognition of the above, both parties agreed to address their respective concern as follows:

- (1) One (1) additional full time Benefit Plans Representative who shall be selected by the Regional Director – UAW Region 2B will be provided to service the employees at the Stickney Plant. It is understood that hours such Representative can devote to Benefit Plans activities will be based on the number of employee on the active roll at the Stickney Plant as shown below:

Number of Employees	Hours Per Week
600 or more	40
250-599	8
Less than 250	4

- (2) The Union reaffirms its commitment to proportional representation. In this regard, the Union agrees that any Steward who dies, retires, or resigns as Steward will not be replaced unless and until the ratio of employees at Toledo Assembly conforms with Article IV of the Agreement.

Very truly yours,
C.H. Eschenbach
Executive Director – Union Relations
and Security Operations

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: J. Sizemore

PREFERENTIAL PLACEMENT

December, 2003

Mr. Lloyd Mahaffey
Regional Director - Region 2B, UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Mr. Mahaffey

When hiring new production and maintenance employees at a plant covered by the National P, P & M Agreement, the Corporation will give Preferential Placement to Toledo Jeep employees who are on indefinite layoff and who make application for placement at a plant covered by the National P, P & M Agreement after all provisions of said Agreement have been fulfilled. An employee who accepts employment under this letter shall rank for seniority as of the date of entry in the plant in which he accepts such work and shall retain recall rights at Toledo Jeep.

Very truly yours,
DAIMLERCHRYSLER CORPORATION

By: Kenneth J. McCarter

Accepted and Approved:
REGIONAL DIRECTOR, UAW

By: Lloyd Mahaffey

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Overtime - "Opting" Out

October 29, 1987

Mr. Dan Twiss
Chairman, UAW Local 12
Jeep Unit
Toledo, Ohio

Dear Dan:

In response to the Union's concern that an employee who is eligible to "opt" out on a Saturday after working two consecutive Saturdays but is absent during the week and as a result loses such eligibility, Management assures the Union such employee will not automatically be forced to work if he has an acceptable excuse for his absence. In such cases Management will give the employee full consideration to be off provided a sufficient number of qualified employees volunteer to work the particular Saturday.

Very truly yours,
David A. Linn
Manager, Human Resources

Accepted and Approved:
/s/ Dan Twiss

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Excessive Amount of Overtime

October 27, 1987

Mr. J. Sizemore
Regional Director, UAW
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Jack:

In response to the Union's concern that management will require employees to work an excessive amount of overtime when the Overtime Agreement is suspended following the launch of a new press line or new vehicle line, management assures the Union that during such periods when the Agreement is ineffective, employee will not be required to work Sundays nor more than ten (10) hours daily (Monday-Saturday) in production areas and twelve (12) hours daily (Monday-Saturday) on repair operations.

Very truly yours,
/s/ David Linn
Manager, Human Resources
Toledo Jeep Plant

Accepted and Approved:
/s/ J. Sizemore
Regional Director

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Work by Supervisors

October 23, 1987

Dear Sirs:

During contract negotiations, the supervisor working issue was again, discussed.

This is to assure the Union that is Management's policy that supervisors shall not perform bargaining unit work.

To further assure the Union that we are most sincere in our efforts to comply with the contract provisions and prior commitments made to the Union, it is agreed to continue the committee to investigate all Supervisor working issues that arise in the future. This committee will be comprised of the Committeeman, Departmental Steward, Production Manager and Regional Area Manager and a representative from Labor Relations. This committee will convene within one (1) week of request by the Union. If the committee does not convene within one (1) week of request, the Union will immediately present the dispute to the Manager of Human Resources.

The function of the committee will be to review the facts to determine if a violation occurred. The Company will use such determination as a basis for taking appropriate corrective action.

If an excluded employee develops a continuing course of conduct contrary to the intent of this letter and justifiable grievances continue, the matter will be referred to Corporate Union Relations.

Very truly yours,
David Linn
Human Resources Manager

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Transfers - Critical Times

October 23, 1987

Mr. Dan Twiss
Chairman, Local 12
Jeep Unit
Toledo, Ohio 43657

Dear Sir:

During the negotiations the plant pointed out that employee transfers under Article XI would adversely affect product quality and the efficiency of plant operations during certain periods, such as model launch, line speed change, model mix, major production increases and the addition or elimination of a shift, when it is usually impractical to effectuate such transfers.

In view of the seriousness of the problems discussed, the parties may mutually agree that employee transfers under Article XI may be suspended during the aforementioned periods. However, the Union and Plant Management may mutually agree to allow employees who are denied transfers during such periods to later displace probationary employees hired in a department before such employees gain seniority provided the efficiency and product quality of the involved departments are not adversely affected.

In any event, it is understood the release of employees from any department shall be subject to the condition that the necessary skills required in that department are fully protected and maintained at all times.

Very truly yours,
David Linn
Human Resources Manager

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V-CAP

January 29, 1985

Mr. Lloyd Mahaffey
International Representative
UAW
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Mahaffey:

On the 29th day of January, 1985, it is agreed between Jeep Corporation (Company) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW (Union) that the following understandings have been reached in connections with the Union's request to make deductions for voluntary political contributions from the paychecks of Company employees represented by UAW Local 12 (Jeep Unit) at the Toledo Plant.

1. The designated financial officer of the local Union will furnish to local management for each employee for whom a deduction is to be made an Authorization Card signed by the employee containing the following information:
 - (a) Name and Address
 - (b) Plant
 - (c) Department Number
 - (d) Social Security Number
 - (e) Badge Number
 - (f) Local Union Number
 - (g) Amount to be deducted each month
- Cards that cannot be processed will be returned to the designated financial officer of the local Union for correction.

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2. The Company will make such authorized deductions from checks for the third pay day in each month, commencing in the second month following the month of the Company's receipt of a copy of this Agreement executed by the Union and provided the parties are in agreement in accordance with Paragraph 6, and thereafter in the month following the month of the Company's receipt of each properly executed authorization and continuing while such authorization is in effect for so long as the Company has an obligation to provide such procedure under the Federal Election Campaign Act. Deductions will be made from any checks prepared for the employee through regular payroll processing but will not be made from checks prepared through special payroll processing.
3. A deduction not made in one month will not be carried forward to a subsequent month.
4. Each month the Company will issue a check to the addressee as designated by the International Union for deductions made in the preceding month.
5. A listing also will be forwarded to the designated financial officer of the local Union which will indicate the name, payroll location code, local union number, and the amount deducted for employees whose deductions are included in the check.
6. The Union will pay the Company the actual cost of initial setup and programming of general administration, computer and machine time, and of processing new authorization changes or cancellations. Provided however, the Union and Company must agree on these costs prior to the implementations of this program.
7. Each month the Company will bill the International Union for the amounts owed for the preceding month, which bill shall be paid in the month following the month in which billed.
8. The amounts set forth in Paragraph 6 above may be increased or decreased by the Company from time to time as experience dictates, upon notice to the International

- Union.
9. Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose. Refunds will be the responsibility of the Union.
10. The designated financial officer of the local Union will collect and forward as one transmittal all signed Authorization Cards and Cancellation Cards for the initial processing and for each month to the local management.
11. An Authorization Card that is not revoked by the employee shall continue in effect upon the employee's reinstatement from separation provided the employee's record is being maintained by the employing unit's payroll department.
12. The Union will identify and hold harmless the Company from any and all liability or claims including liability or claims arising from administrative error resulting from the deductions provided for in this Agreement.

Supervisory Authority – Short Term Absences

December, 2003

**N. Vuich
Chairman – Jeep Unit
UAW – Local 12**

Dear Mr. Vuich:

This will confirm that **advisors, area managers, and center managers** have the authority to excuse short term absences **for purpose of determining holiday eligibility and occurrences under the plant tardy procedure** of the employees they have jurisdiction over.

Sincerely,
**Thomas G. Maxon
Sr. Manager – Human Resources
Toledo Assembly Complex**

Concur:
/s/ N Vuich

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Falsification of Employment Application

February 25, 1977

Mr. N. Snyder
International Representative
United Auto Workers
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Snyder:

This will confirm the understanding reached during the 1977 Contract Negotiations regarding the termination of an employee's employment for falsification of information on an employment application.

It was agreed that if the Company discovers that an employee falsified information on an employment application subsequent to the employee's one (1) year anniversary date, such employee shall not be terminated for such reason.

Sincerely,
/s/R.F. Prossen, Director
Industrial Relations

Concur:
/s/N. Snyder, International
Representative

271

Reinstatement of Grievances

February 24, 1977

Mr. N. Snyder
International Representative
United Auto Workers
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Snyder:

Subject to the provisions of Article V, Paragraph 7 of the parties Agreement, in those instances where the UAW's International Executive Board, Public Review Board, or Constitutional Convention Appeals Committee have reviewed a grievance disposition and found that such disposition was improperly concluded by the Union body or representative involved, the International Union may so inform the Industrial Relations Director of Jeep Corporation and request in writing that such grievance be reinstituted in the parties' grievance procedure at the same level at which it was originally settled. After receipt of such written request, the grievance will be so reinstituted by the Company.

It is understood by the parties, however, that the Company will not be liable for any back pay claims from the time of original disposition to the time of reinstitution of the grievance, and it is further agreed that the reinstitution of any such grievance shall be conditioned upon agreement by the Union and the employee(s) that neither will pursue such back pay claim against the Company.

This letter is not to be construed as modifying in any other way either party's rights or obligations pursuant to the Collective Bargaining Agreement or the final and binding nature of any other grievance resolutions. It is also understood by the parties that this letter of understanding and the Company's obligation to reinstitute grievance consistent with the conditions set forth above and upon written request from the Union, can be terminated by either party upon thirty (30) day notice in writing, to that effect.

Very truly yours,
/s/R.F. Prossen_
Director, Industrial Relations

Concur:
/s/N. Snyder, International
Representative

Early Exit

January 25, 1977

Mr. N. Snyder
International Representative
United Auto Workers
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Snyder:

This is to confirm the discussions between the Company and the Union during the 1977 Contract negotiations regarding early exits referred to in Article IX, Paragraph 6.

It is understood between the parties that the purpose of said paragraph's existence is to preclude any interference with production schedules being fulfilled, to preclude any adverse effect on employees being able to work a full scheduled work day, and to preclude the adding of additional work to other employees placing hardship on them.

It is further understood that the language in said paragraph was not designed for supervision to deny early exits if conditions mentioned above do not exist.

It is agreed that if both supervision and the employees fully understand the purpose said paragraph's existence as described in this letter, then neither party should experience the problems they have experienced during the duration of the past Agreement. This is the reason this letter has been published.

Sincerely,
/s/R.F. Prossen_
Director, Industrial Relations_

Concur:
/s/N. Snyder
International Representative

274

Employee Time Off with No Loss of Wages

January 24, 1974

Mr. Archie Wilson
International Representative
United Auto Workers
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Mr. Wilson:

This letter will verify the understanding reached by the Company and the Union during contract negotiations concerning certain practices in the plant allowing employees time off with no loss of wages.

It has been agreed by the parties that:

- (1) Employees are not permitted to visit the Credit Union to conduct Business on Company time.
- (2) Employees may continue to schedule annual physical examinations on Company time without loss of wages, up to a maximum of four (4) hours per year.
- (3) Employees will be allowed to donate blood on Company time without loss of wages during Company/Union sponsored blood drives conducted on Company premises. In addition, employees will be allowed to donate blood without loss of wages in case of open heart surgery where direct donation is necessary.

Sincerely,
/s/W.H. Eastman, Director
Industrial Relations

Concur:
/s/ Archie Wilson,
International Representative

275

Daily Overtime Posting

May, 1990

Mr. Ron Conrad, Chairman
Jeep Unit, Local 12
Toledo, Ohio

Dear Sir:

During 1990 negotiations, the parties discussed the problems resulting from daily overtime posting notification. Consistent with those discussions and in conjunction with the change in the notice requirement, four (4) hours to three (3) hours, the parties agreed a statement of intent is necessary to avoid unnecessary disputes.

The language is intended to facilitate the Company's need to schedule overtime and at the same time prevent any abuse by assuring posting will be for legitimate reasons only.

It is clearly understood the Company will not post for overtime unless it intends to work it. The parties recognize circumstances may arise which prevent the overtime from being worked and necessitate cancellation with short notice.

When abuses occur, the matter will be referred to the Chairman and Labor Relations Supervisor for immediate resolution.

It is also understood that parties will discuss overtime plans as well as any problems arising from notification at the weekly Company/Union production meeting.

Very truly yours,
T.P. DUROSS
Human Resources Manager
Toledo Assembly Plant

276

Lunch Period Change - Emergencies

May, 1990

Mr. Ron Conrad, Chairman
Jeep Unit, Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the parties discussed the possibility of a change in the lunch period if an emergency or breakdown should occur.

The parties agree that a common sense approach will be adopted for each separate emergency or breakdown and that the Union should be notified in advance of any change.

In any event, the parties will not move the lunch period to more than one half hour prior to or one half hour after the normal scheduled time. Management assured the Union that in the event the lunch hour is moved, arrangements will be made with the canteen vendor to ensure comparable food service will be provided.

Very truly yours,
T.P. DUROSS
Human Resources Manager

277

Short Shifting

May, 1990

Mr. Jack Sizemore
Regional Director, UAW
2300 Ashland Avenue
Toledo, Ohio 43620

Dear Sir:

During these negotiations, the Union expressed concern over what they felt were management abuses of short shifting, which adversely affected the SUB fund through Short Work Week payments. The Corporation agreed that short shifting should not be abused and outlined the steps that were being taken immediately to address the situation. The Corporation also advised the Union that if in the future the type of short shifting abuses discussed during negotiations again occurred, the Union should refer the matter to the Plant Manager and Human Resources Manager for resolution. If the problem continues, it will be referred to Corporate Union Relations and the Regional Director's office. The parties working together with Corporate Manufacturing will address the problem.

Very truly yours,
C.H. ESCHENBACH
Director - Union Relations

278

**Demonstration of Ability to Perform Tech I or
Semi-Skilled Work**

August 6, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties discussed the issue of re-establishing a procedure for evaluating an employee's ability to perform Tech I and/or work recognized as semi-skilled, and formalizing such a procedure in writing. The parties also acknowledged that per Article IX, Paragraph 18 - Transfer and Promotion, the employee with the greatest seniority whom successfully demonstrates the ability to perform the available work will be placed in said classification. To that end, the parties agreed that it would be desirable to jointly establish guidelines for such a procedure. The parties will sit down to discuss and develop those guidelines after ratification of the 2002 Toledo-Jeep agreement.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

279

30 Year Service Awards

September 9, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations the Union expressed concern over employees that accepted "grow-in retirement" packages who did not receive 30 year recognition under the corporate approved program. In response to this issue, company representatives reinforced the fact that certain anomalies in the recognition program were being studied by the corporate information technology group that similarly effect all other locations in North America.

Consistent with other Morale initiatives, company representatives assured the local Union that any modification of the Corporate Recognition Program that the corporate information technology group is currently studying will be uniformly applied to all eligible Toledo Assembly employees.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

/s/ Nick Vuich

Plant Shut Down Period

August 28, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties discussed a plant shut down period. A plant shutdown for any reason during the period of June 1 through September 1 shall reduce the vacation leave of absence entitlement for the period of the shutdown, but not more than two (2) weeks for those employees laid off during the shutdown period. Any other plant shutdown will not be considered a vacation shutdown. The employees will be advised no later than May 1 as to the specific period in which a shutdown will be scheduled that will reduce vacation leave of absence entitlement. The Union will be advised as to the number of employees who will be required to work during the shutdown period, consistent with good employee relations and efficiency of operations. The parties agreed that the application of this provision is conditioned upon volume planning and product demand in the marketplace.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Yard Purges

September 9, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties had lengthy discussions on the subject of yard purges. Consequently, yard purges will be handled based on the circumstances as outlined below:

- Plant defects (those generated by the plant) will be handled by Jeep employees.
- Internal supplier defects will be handled on a case by case basis to determine if the supplying plant or Jeep personnel will perform said work.
- External supplier defects will be reviewed with the Union prior to the supplier coming on site. As has historically been the case, Jeep bargaining unit employees will perform all repairs on the vehicles.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Benefits Books

August 26, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

In response to the Union's desire to have the Benefits information available, Management agrees to investigate the possibility of making said information available electronically after ratification of the agreement.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

DaimlerChrysler Fleet

August 27, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the parties agreed to form a joint Union/Management team to formulate a separate supplement to this Collective Bargaining Agreement to outline the operating principles of the Fleet.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

284

Short Work Week Benefits During Down Week

September 12, 2002

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

This will confirm our agreement that Short Work Week Benefits will be paid to eligible employees who are laid off during the week in which at least two (2) holidays occur.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

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WORK OPPORTUNITY

September, 2002

Mr. Lloyd Mahaffey
Regional Director – Region 2B, UAW
1691 Woodlands Drive
Maumee, OH 43537

Dear Mr. Mahaffey:

During the course of these negotiations, the parties discussed at great length the need to address the issue of employees currently on Layoff status, and the subject of work opportunity in plants covered by the P, P & M Agreement. In response to these concerns, the parties agreed to pursue and initiate alternatives inclusive but not limited to the following:

- Continuance of Inverse Layoffs in accordance with the ESS Provision titled Layoff Procedure for Market-Related Volume Declines.
- Special Programs to be offered in the fourth quarter of 2002 and quarterly in 2003 based on discussion between the parties.
- Preferential Placement Opportunities consistent with the provisions of the agreement.
- Alternative work patterns.
- ESS applications.

The parties agreed to jointly work on these and other alternatives in an effort to reduce the number of employees assigned to Job Bank status and/or layoff.

In addition, the parties agreed to evaluate work opportunities consistent with the Memorandum of Understanding on Sourcing, and Attachment B, New Memorandum of Understanding Goals and Objectives of Job Security and Operational Effectiveness. These provisions are within the current collective bargaining agreement between UAW Local 12 and the Corporation.

As part of this process, the parties agreed that Toledo Assembly operations must continue to jointly work toward improving plant performance relative to safety, quality, delivery, cost and morale in an effort to achieve and exceed productivity and quality levels of world class competitors.

As a result, the parties agreed to establish a joint Union-Management Review Committee consisting of three members each to monitor possible placement opportunities at other plants covered by the P, P, & M Agreement.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By: Kenneth J. McCarter

Accepted and Approved
Regional Director, UAW
By: Lloyd Mahaffey

Legal Services

September 9, 2002

Mr. Lloyd Mahaffey
Regional Director – Region 2B, UAW
1691 Woodlands Dr
Maumee OH 43537

Dear Mr. Mahaffey:

During these negotiations, the parties agreed to amend the UAW Legal Services Plan to provide, effective January 1, 2003, Legal Services coverage for all Jeep Retirees, not just those retired since January 1, 1998, in a manner consistent with non-Jeep UAW Retirees.

Yours very truly,
DaimlerChrysler Corporation
By K.J. McCarter

Accepted and Approved
Regional Director, UAW
By Lloyd Mahaffey

288

JOINT UNION/MANAGEMENT TEAM

September 4, 2002

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, there were several operational matters that due to their complexities, require further discussions by both parties. To that end, the parties agree to form a joint Union / Management team to discuss and explore the following issues:

1. Handyman classification (90 days)
2. Team Leaders – Material Handling – add one per shift for trial basis (30 days)
3. Manpower – Material Handling/Sanitation (30 days)
4. Sanitation overtime equalization (30 days)
5. Skilled Trades manpower movement (30 days)

The parties further agree this joint team will present their results to the International UAW and the Corporate Union Relations Department.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

289

Ergonomics - Special Study Group

October 03, 2003

International Union, UAW

Attention: Mr. Nate Gooden

Dear Sirs:

During the course of these negotiations, we agreed that two (2) issues within the area of ergonomics required further study and debate and, therefore, would be discussed following the conclusion of negotiations. Accordingly, following receipt of notification of ratification of the Collective Bargaining Agreements, a study group shall be formed. The composition of the study group shall be the Senior Manager of Current Safety Processes and the Manager of Ergonomics for the Corporation and the head of the DaimlerChrysler UAW Health and Safety Department, along with the UAW International lead ergonomist for the Union. The study group shall investigate and review their findings along with recommendations, if any, with the NJC on two subject matters relating to secondary ergonomic analysis as follows:

The parties utilize a variety of tools such as the 1981 NIOSH Lifting and the Three Dimensional Static Strength Predictor (3DSSP) to help determine manual material handling lifting exposures. The study group will continue to discuss the use of these tools as appropriate.

The study group will investigate the potential for the use of additional secondary quantitative assessment tools such as Rapid Upper Limb Assessment Postural Risk (RULA), the ACGIH Hand Activity Level TLV, Multimedia Video Task Analysis (MVTA), Humanscale, U of M Energy Expenditure, BAKPAK and others. Such analysis will

include practicality (including cost, ease of use, redundancy, and efficiency), the effect on standardization within the company, industry and suppliers, and the potential benefit of using the tools. The results of this study will be discussed and recommendations presented at the NJC before the end of the year 2005.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Nate Gooden

EARLY WARNING PROGRAM

October 03, 2003

International Union, UAW
Attention: Mr. Nate Gooden

Dear Sirs:

The parties acknowledge that through significant efforts during the term of the last Agreement, tremendous gains have been made in reducing ergonomic recordable injuries. We also recognize that, while our priorities need to be focused on remediation of jobs creating injuries and lost work time, there may also be value on a prospective basis to look at jobs in the future that are producing employee complaints which have not yet risen to the level of recordable injuries. In that context, we explored the feasibility of the Company's Occupational Health Manager (OHM) to be used as a tool. It was explained that an injury/illness database to capture such signs and symptoms exists within OHM which has the capability of matching job station data to key medical data.

In the assembly facilities, job stations are automatically fed into OHM via the Advanced Manufacturing Engineering's AMPs software program. However, the AMPs feed is not currently present in every manufacturing location, and therefore Early Warning will be used in the assembly plants only.

Access to this data for the Ergo Analysts will be made available via key screens in OHM after each Analyst signs a medical confidentiality agreement. This information must be used for the sole purpose of injury identification and not be shared with other parties. The ultimate pur-

pose for obtaining such data is to identify potential high-risk jobs that may ultimately create injuries to our employees.

Very Truly Yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Nate Gooden

SPEEDLINK to Injury Reduction

October 03, 2003

International Union, UAW
Attention: Mr. Nate Gooden
Dear Sirs:

During these negotiations, the parties discussed new and innovative ways to move our joint process forward to higher and better levels, enhancing our position as a Center of Excellence for health and safety which others will seek to benchmark. Toward this end, we will begin the SPEEDLINK process moving the Corporation to the next paradigm. SPEEDLINK is capturing potential injury-producing hazards and jobs information on the plant floor swiftly and efficiently. We have taken dramatic steps toward injury reduction to date, but the next level will be even more challenging as we direct our attention closer to zero injuries.

To complement our health and safety initiatives, an electronic database for Ergo Pal providing data retention reporting capabilities will be created. All of this data is to be readily input and accessed through PDAs, which will allow the ergonomic analysts and ergonomic safety remediation specialists to use the systems on the plant floor, at the work station level, gathering data on the spot.

The Company agrees to finance and develop the database application software, and reside it within our Corporate systems. Development of the system will begin after the ratification of the agreement and a deliverable will be targeted for the end of the 4th quarter of 2003. The parties agreed that SPEEDLINK will be jointly developed and implemented.

PDA devices shall be made available to the Union and management representatives in all major manufacturing facilities, National Depots, and eight (8) for Regional PDCs which will be rotated on a divisional basis. The cost of the PDA's will be borne by the NTC, except that if an individual loses the device, he/she shall be responsible for the cost of replacement.

The parties recognize that the data and information contained within such databases is confidential and proprietary. No information on data is to be released outside the Corporation without express written approval by the Corporation.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Nate Gooden

UP - Health Care Alternative Options

October 3, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, OH

Dear Sir:

During these negotiations, the parties agreed to continue to review the feasibility of providing alternative health care plans in the Toledo area.

It is further agreed that an alternative option would be made available provided the adjusted local plan composite premium is not in excess of the alternative plan composite premium, in accordance with Exhibit B, Letter C-14.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By Mark J. Gendregske

Accepted and Approved:

UAW
By Nick Vuich

Benefit Letter of Understanding

October 3, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, OH

Dear Sir:

During the course of these negotiations, the parties had lengthy discussion regarding the following benefit topics:

Health Care / Disability

- Co-op Optical in the Toledo area will provide benefit parity with the Detroit area by January 1, 2004
- Value Options will work with the local UAW EAP Representative and the Corporation to increase the specialty network of providers to a satisfactory service level for the members
- To discuss an acceptable process and potential resolution to the long standing practice (which was discontinued in June of 2003) of allowing PhD counselors to certify total disability for employees
- Explore the feasibility of identifying halfway house extra-contractual benefits that meet the credentialing standards of Value Options by January 1, 2004
- Provide lifetime health care for spouse of retiree who remarries for those that retire prior to 3-1-85
- If at some point in the future the current AOL arrangement changes or expands to become available to retirees the National Agreement will include a pass through for the Toledo Jeep members
- The Local Jeep Union and Management will explore discount arrangements with sporting and entertainment events in the Toledo area in conjunction with

offerings through Dashboard Anywhere

- The Jeep Unit of Local 12 will be included in any provisions negotiated by the DaimlerChrysler Department of the International UAW that utilize an employee's Credited Service, rather than Corporate Anniversary, in determining an employee's eligibility for a Long Service Award

New Items that were excluded from the original pass through package

- Spouse eligibility expanded to include Same-Sex Domestic partners for Optional Group Life Insurance
- Extend to the Jeep Unit the Corporation provided expanded HSMDH surviving spouse coverage from 12 to 18 months as provided in the National Agreement
- Extend the Group Legal Services improvements from the National agreement to the Jeep Unit Members
- Provide the Designated Contingent Annuitant survivor option to the Jeep Unit Pension Plan

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Plant

Concur
/s/ Nick Vuich

Retiree Vehicle Purchase Certificate

October 3, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

The Corporation and the Union agree how valuable having the ability to purchase or lease new Chrysler Group vehicles is for retirees under the DaimlerChrysler Corporation-UAW Pension Plan and their surviving spouses.

During these negotiations, the parties agreed to provide, to eligible retired employees and surviving spouses, two Vehicle Purchase Certificates in the amount of \$1,000.00 each. One certificate shall be mailed to each eligible retiree and surviving spouse in October, 2003 and will be valid until the end of December, 2004. A second certificate shall be mailed in August, 2005 and will be valid beginning September, 2005 and through the end of September, 2006.

The parties agree that the certificates:

- (i) may be used only towards the purchase or lease of a new 2004 model year or later Chrysler Group vehicle assembled in the United States or Canada and available under the Employee Advantage - Chrysler Group Employee Purchase/Lease Program (excluding vehicles not covered under that program);
- (ii) may be used towards only one vehicle each, and not more than one certificate shall be used for the same vehicle;

- (iii) are transferable to family members living in the retiree's or surviving spouse's household who are eligible under the Employee Advantage - Chrysler Group Employee Purchase/Lease Program rules; and
- (iv) may only be applied to vehicles ordered or purchased/leased from a participating U.S. Chrysler Group dealership.

The parties further agree that all transactions related to such certificates are subject to being audited, and that retirees and surviving spouses may not sell or barter such certificates. Any violation of program rules will result in permanent suspension from the Employee Advantage - Chrysler Group Employee Purchase/Lease Program.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly

Concur:
Nick Vuich

Four-Day Workweek - Fleet

October 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - Local 12
Toledo, Ohio

Dear Sir:

The subject of a four-day workweek was discussed at length at both Toledo and DaimlerChrysler National contract negotiations. The parties recognize the significance of a four-day workweek at a plant serviced by DCX Fleet, Toledo operations currently on Hagman Rd. If a plant serviced by Fleet adopts a four-day workweek, the parties agree to develop a plan of action addressing the impact that this has on Fleet operations in Toledo. Further, the parties will explore various options among which may include a four-day workweek-operating pattern.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly

Concur:
N. Vuich

Ventilation

December 7, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the Union had expressed concerns regarding airflow, temperature, and ventilation at the Toledo North Assembly Plant (TNAP).

To address these concerns, following ratification of the Collective Bargaining Agreement, the parties agreed to establish a joint study group for the purpose of reviewing and evaluating potential problem areas involving the consistent regulation of airflow, temperature, and ventilation and formulating appropriate remedial action. The composition of the group shall be the Plant Safety Manager and the UAW Health & Safety Rep along with (2) members each from the Company and Union to research and address concerns.

Additionally, resources available to the joint team for consultation and/or assistance will be, but not limited to, Corporate Health, Safety, and Hygiene, Plant Facilities Maintenance, and comparable resources from the International UAW. The efforts and recommendations of the joint study group will be reviewed at the regularly scheduled LEPC meetings to ensure the Union's concerns are properly addressed and supported in order to augment the proper and expeditious resolution of specific issues identified by the team.

Very truly yours,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

Concur: N.Vuich

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TOLEDO SUPPLEMENTAL EMPLOYEES —
SEPARATION INCENTIVE PROGRAM

December 6, 2003

Mr. Lloyd Mahaffey
Regional Director - Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Sir:

During these negotiations, the Parties discussed their mutual interest in reducing the number of Toledo Assembly Plant Supplemental employees who were on indefinite layoff status as of the effective date of the 2003 Agreement. Notwithstanding the limited liability associated with the Supplemental workforce and the fact that seventy seven Supplemental employees have been transferred to permanent status, the Corporation continues to explore socially responsible programs in an effort to address the Supplemental workforce.

As a result of these discussions, the Parties agreed that a program that encouraged the voluntary attrition of these Supplemental employees was appropriate given the current circumstances. Accordingly, without prejudice, the Corporation agreed to offer the following options to Supplemental employees:

1. Supplemental employees hired between March 1, 2000 and November 1, 2000 will be eligible for a \$5000 Separation Incentive payment.
2. Supplemental employees hired between February 1, 2001 and July 1, 2001 will be eligible for a \$2000 Separation Incentive payment.

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3. Upon receipt of the Separation Incentive payment, the employee will cease to be an employee of the Corporation and will be deemed to have lost his/her seniority, however will be eligible for preferential hire to other Supplier Park firms.
4. Supplemental employees may sign up for a future preferential hire opportunity at a third-party owned body and paint facility at OEM wages and benefits. The Corporation will make arrangements with the supplier that these employees will be given preferential hiring considerations. If hired by a third-party, a supplemental employee may terminate employment with DaimlerChrysler Corporation.
5. Supplemental employees may continue to remain on layoff status until expiration of their recall rights and may be recalled to a temporary, part-time or permanent position at the Toledo complex for the term of the collective bargaining agreement.
6. Employees will be canvassed to select one of the three options outlined above. The intent of this program is to bring total and final resolution to the Supplemental workforce issue inclusion of any grievances associated with this subject matter.

Very truly yours,
Ken McCarter
Vice President – Union Relations
DaimlerChrysler

Toledo Assembly Team Concept
December 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties spent considerable time discussing the team concept and inherent flexible work practices in existence within the Toledo North production system and the positive impact on the metrics contained within our Safety, Quality, Delivery, Cost and Morale measurables.

To that end, to make the current Toledo Assembly production system, as well as the processes attributed to any future models produced in Toledo, equally competitive in the world market, the parties concur the team concept, as outlined in Article VI of the 1997 Collective Bargaining Agreement, as well as any subsequent modifications, will become it's operating system. In particular, the parties feel it is imperative for the success of the operation that employee empowerment via the team concept will continuously improve through joint participation.

Within 90 days of ratification, the company and union will develop an implementation strategy to facilitate the launch of rotation after 2004 model changeover.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

/s/ Nick Vuich

Stickney Avenue

September 13, 2003

Mr. Bernard Jakab
Committeeman, Stickney Avenue
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During 2003 contract negotiations, the parties have discussed at considerable length the issue of facility maintenance at the Stickney Avenue facility. Specifically, the parties discussed repair and upkeep of roof, windows, fans and the canteen facilities. The parties agree that necessary steps need to continue to provide an environment conducive to building world class vehicles.

To this end, the parties agree that the necessary steps to maintain the Stickney Facility will continue. Any disputes that arise will be addressed by the Center Manager and the servicing Committeeman

Sincerely,
Jean Hathaway
Union Relations Supervisor
Toledo Assembly Complex

/s/ Bernard Jakab

306

Stickney Team Meeting Areas

September 11, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of the 2003 negotiations, the issue of team meeting areas at the Stickney Avenue facility was discussed. The parties recognize limitations exist in the current facility, however, the parties will endeavor to create an environment conducive to the implementation of all aspects of our team concepts. This understanding includes team meeting areas, as well as the feasibility of other facility improvements, including but not limited to, ventilation and air systems.

Sincerely,
Thomas G. Maxon
Sr. Manager Human Resources
Toledo Assembly Complex

/s/ Nick Vuich

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Credited Service Fill

November 20, 2003

Mr. Lloyd Mahaffey
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Mr. Mahaffey:

This letter will confirm the understanding reached between the Corporation and the Union during the 2003 contract negotiations concerning additional Credited Service for periods of layoff.

The Article II Section 2 of the Jeep Corporation Union Retirement Income Plan will be amended to incorporate the following provisions:

- 17) For the period December 31, 1978 to January 1, 1989 to an Employee
- i. who accrued less than 1,700 hours of Credited Service in any calendar year between these two dates, and
 - ii. was absent from work due to a layoff that resulted in his being cleared from the roll between such dates, and
 - iii. had Seniority on December 1, 2003, and
 - iv. upon making application to the Board in a manner specified by the Board, at a rate of 40 hours per week of layoff during such periods, multiplied by the following applicable table:

Seniority as of December 1, 2003	Factor
20 or more years	1.00
15 but less than 20	0.75
10 but less than 15	0.50
5 but less than 10	0.25

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- 18) For employees covered under this plan, who transferred from Kenosha, for the period December 31, 1976 to January 1, 1979,
- i. who accrued less than 1,700 hours of Credited Service in any calendar year between these two dates, and
 - ii. was absent from work due to a layoff that resulted in his being cleared from the roll between such dates, and
 - iii. had Seniority on December 1, 2003, and
 - iv. upon making application to the Board in a manner specified by the Board, at a rate of 40 hours per week of layoff during such period, multiplied by the applicable rate from the following table:

Seniority as of December 1, 2003	Factor
20 or more years	1.00
15 but less than 20	0.75
10 but less than 15	0.50
5 but less than 10	0.25

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By K.J. McCarter

Accepted and Approved
REGIONAL DIRECTOR, UAW

By Lloyd Mahaffey

309

Air Houses

November 7, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the parties had lengthy discussions concerning read-only access to the air houses at TNAP. The Union expressed concerns over the air houses operating properly and providing adequate ventilation.

To address the Union's concerns, this letter confirms the Plant's ability to access and share information from the air houses with represented employees. The company is willing to share information, upon request, with members of the bargaining unit from all shifts.

The management and operation of the air houses at TNAP will be acquired by DTE through the Energy Center Partnership. The company will cease to have control over the air houses upon the transfer of responsibility, however, future access will be discussed with DTE at that time.

Very truly yours,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

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New Hire Orientation

October 03, 2003

International Union, UAW
Attention: Mr. Nate Gooden

Dear Sirs:

The Corporation and the International Union, UAW agree to implement the jointly developed, standardized New Hire Orientation Program when the number of newly hired hourly employees warrants such a program.

The orientation will be piloted at a Metro Detroit area location, and phased into out of state Manufacturing and MOPAR locations. This standardized training will be followed by one (1) additional day of training at the specific location where the employee is assigned to work. Employees will be scheduled and on a straight time basis paid for both the standardized and location specific orientation with their probationary period commencing on the first day of orientation.

The standardized orientation will consist of information presented in accordance with guidelines established by the Corporation and the International Union, UAW, and within ninety (90) days of ratification of the Agreement a program overview and participant's manual will be made available to the NEPC. The information will acquaint the employee with our business, the benefits, opportunities and responsibilities they will have as employees of the Corporation and as members of the Union, to include the history of each organization. The information may also include the Union's and Corporation's perspectives on issues which affect the workplace and community. The location specific orientation shall be conducted, in part,

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by a representative of the Plant Human Resource Department and, in part, by an elected or appointed Local Union representative, officer or Benefit Representative designated by the International Union whose other duties at the time of his election, appointment or designation shall already permit him, if he is working on the job, to take time away from work without loss of pay. The orientation shall be conducted during normal working hours, covering essential location specific information not covered in the standardized orientation, allowing for Local Union input and presentations.

In the event that either party believes the program does not meet the provisions of this letter, notification of the party's concerns may be given; if by the Union to the Corporate Union Relations Staff, or if by the Corporation to the DaimlerChrysler Department, International Union, UAW.

The program will not be subject to the grievance procedure and may be terminated by either the International Union or the Corporation, upon written notice to the other party.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Nate Gooden

Diversity Training

October 03, 2003

International Union, UAW
Attention: Mr. Nate Gooden
Dear Sirs:

During discussions leading to the 1999 Agreement, DaimlerChrysler and the UAW discussed at length those social issues facing our workers. The parties unanimously agreed that diversity in the workplace was one of the most important issues facing the Union, Corporation, and its workers.

Accordingly, a joint study team, consisting of UAW and management members of the National Training Center staff, along with representatives from the Corporation's Diversity and Work/Family department was established to develop, implement, monitor and evaluate a diversity training program for all employees. The parties reaffirmed their strong commitment to the program during the 2003 discussions and agreed to explore and implement the inclusion of diversity training in other National Training Center Programs such as Employee Participation, Paid Educational Leave and the Local Joint Training Facilitators Program. Status updates for existing programs and recommendations for continued diversity training opportunities will be presented to the Joint Activity Board (JAB) and the National Employee Participation Council (NEPC) quarterly. Funding for this activity will be provided from National Training Funds upon approval by the Joint Activity Board.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By: Nate Gooden

Parity Agreement

November 20, 2003

Mr. Lloyd Mahaffey
Regional Director-Region 2B UAW
1691 Woodlands Drive
Maumee, Ohio 43537

Dear Mr. Mahaffey:

This letter will confirm the understanding reached between the Corporation and the Union during the 2003 contract negotiations concerning parity between the Jeep Corporation Union Retirement Income Plan (the Plan) and the DaimlerChrysler - UAW Pension Agreement (the National Agreement.)

Substantial changes were made to the Plan as a result of this understanding, and it is the intent of the parties that the plans are to be interpreted and administered similarly. The parties further agree that the National Plan is the basis for comparison, and that the Plan will be interpreted and administered in a manner consistent with the interpretation and administration of the National Plan.

Two notable exceptions to parity with the National Agreement remain and are identified as follows:

1. Enhanced 30 & Out Retirement Supplement for Employees with 30 Years of Credited Service as of October 1, 1999.

Employees who had accrued 30 Years of Credited Service by October 1, 1999 continue to be eligible for an enhanced 30 & Out Early Retirement Supplement as described in Appendix D to the Plan.

2. 57 and 10 Protected Benefit.

In bringing the Plan into parity with the National Plan, the 57 and 10 Retirement Eligibility under Article III Section 2(A)(1) ceased to be a set of conditions under which an employee could elect to retire. A consequence of eliminating this eligibility criterion is that employees with an accrued benefit as of December 31, 2003 will have that accrued benefit "protected" with respect to the retirement provisions of Article III Section 2(A)(1), and the deferred vested provisions of Article III 5(C). This protected benefit will be referred to as the "2003 57 & 10 Protected Benefit".

An Employee with a 2003 57&10 Protected Benefit who is not otherwise eligible to retire, shall retain the right to draw his 2003 57&10 Protected Benefit upon attaining age 57, under the terms of Article III Section 2(A)(1) and as calculated under Article III Section 2(B)(2)(b). Such action will terminate the Employee's employment and, except with respect to such 2003 57&10 Protected Benefit for purposes of retirement under Article III Section (2)(1) or performing a calculation under Article III Section 23 (B)(2)(b) (and only to the extent of such 2003 57&10 Protected Benefit), the Employee will not be considered a Retired Employee under the Plan, but rather an Ex-Employee. The employee will be eligible to commence receipt of the balance of his entitlement (his accrued benefit less the Actuarial Value of his 2003 57&10 Protected Benefit expressed as a monthly annuity) upon satisfying the conditions of Article III Section 5(D).

Similarly, an Ex-Employee with a 2003 57&10 Protected Benefit, whose employment is terminated prior to the Employee attaining age 57, shall retain the right to draw his protected benefit upon attaining age 57 under the terms of Article III Section 5(C) and shall be eligible to commence receipt of the balance of his entitlement (his accrued benefit less the Actuarial Value of his 2003 57&10 Protected Benefit expressed as a monthly annuity) upon satisfying the conditions of Article III Section 5(D).

For the purposes of determining the actuarial equivalence of both the protected benefit and the accrued benefit above, the interest rate and morality table will be those used by the Plan to determine and Actuarial Equivalent of an equivalent lump sum value.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By K.J. McCarter

Accepted and Approved
REGIONAL DIRECTOR, UAW

By Lloyd Mahaffey

Attendance Counselor

December 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the subject of Attendance Counselor was discussed. The Jeep Unit Chairman may appoint an Attendance Counselor from among those hourly employees who have seniority under this agreement. The Unit Chairman will advise Plant Labor Relations in writing of the name of the appointee. The Attendance Counselor shall not function until Labor Relations has been so advised. The Attendance Counselor shall serve an indefinite term and shall be replaced with the sole discretion of the Unit Chairman.

The duties of the Attendance Counselor are:

- Counseling of employee at the 5th occurrence in the Memorandum of Understanding Absenteeism.
- Determining cause of absenteeism and directing the employee to agencies or self-help to improve attendance.
- Verifying employee attendance records, including absenteeism, tardy and call-in.
- Assisting in developing and presenting joint programs and communications addressing the need of employees to improve attendance.

- Reviewing specific attendance data provided by Management or the affected employee.
- Analyzing attendance problems with Management representatives in a non-adversary manner.

Attendance Counselors shall be subject to the following:

1. The Attendance Counselor will not be scheduled for Saturday, Sunday, holiday or daily overtime work except as a regular employee in his/her department and when so scheduled shall not perform any function as an Attendance Counselor.
2. If it is necessary for the Attendance Counselor to speak to an employee about an attendance matter he/she shall make prior arrangements with the employee's Advisor.
3. The Attendance Counselor shall be assigned to the first shift and shall be subject to the provisions of Subsection 41 of the Local Agreement, however he / she shall be available to counsel employees before or after their scheduled shift. By mutual agreement with the Union Relations Supervisor and his / her designated representative, the Attendance Counselor may adjust his / her starting time to be available to perform his / her duties on the second or third shift, in which case Subsections (245) & (246) shall not be applicable to the Attendance Counselor.

Very truly yours,
Thomas G. Maxon
Senior Manager - Human Resources

Toledo Assembly Plant
Independent Medical Examinations for Employees
Reaching Maximum Medical Improvement

December 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During these negotiations, the Company and Union had lengthy discussions regarding employees who have reached maximum medical improvement (MMI) while on worker's compensation leave of absence and the effect on PQX placement. The Union requested that employees be given the opportunity to attend an Independent Medical Examination (IME) to obtain a second opinion in order to determine any modifications to the employee's permanent restrictions which will assist in job placement. The determination of the IME will be final and binding on all parties.

Sincerely,
Thomas G. Maxon
Senior Manager- Human Resources
Toledo Assembly Plant

PQX Review Meetings

November 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit – UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of the 2003 negotiations, the parties had lengthy discussions regarding administration and compliance with the provisions of the Collective Bargaining Agreement, as well as, government regulations regarding PQX employees. Those affected under the provisions of this agreement are employees with PQX restrictions prohibiting them from performing their regular job on a day to day basis.

Consistent with our joint objectives to be world-class, the parties agreed to form a joint task force consisting of representatives from, but not limited to, Plant Human Resources, Plant Medical, Local Union leadership, Corporate Union Relations and Human Resources, and International UAW Region 2-B. The aforementioned parties will convene within six (6) months of ratification to review the impact of the PQX Placement Process in the following areas:

1. Manpower movement
2. Overtime
3. Permanent Requisitions
4. Team Concept
5. Other issues arising from the administration of the PQX program.

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The intent of this meeting will be to foster continuous improvement in an environment that encourages brainstorming, information sharing, and problem solving. Consistent with current operating efficiencies of the plant, the meetings will focus on achieving and maintaining active and gainful employment for those employees affected by said PQX program. To that end, the meeting will ensure the program's initiatives maintain positive employee relations.

Sincerely,
Thomas G. Maxon
Senior Manager – Human Resources
Toledo Assembly Plant

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Personal Information Security

September 14, 2003

International Union, UAW
Attention: Mr. Nate Gooden

Dear Sirs:

During the 2003 National Negotiations, the Corporation reaffirmed its commitment to protect the personal privacy of employees by restricting the availability of their social security numbers to unauthorized persons.

Accordingly, the Corporation successfully implemented a DCID program that provides all employees with personal ID numbers to be used in lieu of social security numbers. The Corporation will continue to maintain the DCID system and ensure that employee social security numbers are used only when required.

Very truly yours,
DAIMLERCHRYSLER CORPORATION
By J. Franciosi

Accepted and Approved:
INTERNATIONAL UNION, UAW
By Nate Gooden

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Joint Programs

September 9, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

During the course of these negotiations, the parties held lengthy discussions regarding Joint Programs and their value to the organization during both positive and negative economic conditions. Both parties acknowledged that Joint Programs improve employee morale and participation as well as enhance the competitive position of the Corporation in the global automotive industry. In order for the Corporation to become the premier manufacturing company in the world and the benchmark of the industry, it is imperative for Joint Programs to take part in the support of various programs and initiatives.

To that effect, the parties formally re-established their commitment to Joint Programs and to fully utilize the concept to meet and exceed plant goals. In addition to SQDCM, Joint Programs may include employee participation goals and objectives, PQI, health & safety, ISD, operating effectiveness, product launches, quality, and continuous improvement initiatives. The monthly LEPC will serve as the channel to establish guidelines, report on program ideas, address issues that enhance or inhibit the success of the program, and overall ways to improve the effectiveness of the process. The LEPC may also benchmark outside employee participation programs that encourage total employee involvement.

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The implementation and facilitation in each department, including the assurance and measurement of the program's effectiveness, will be led by the respective Center Manager and Committeeman. Any concerns raised by either party regarding the progress of the Joint Programs will be brought to the attention of the LEPC.

Sincerely,
Thomas G. Maxon
Senior Manager - Human Resources
Toledo Assembly Plant

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SQDCM Coordinator Roles

December 6, 2003

Mr. Nick Vuich
Chairman
Jeep Unit - UAW Local 12
Toledo, Ohio

Dear Sir:

Consistent with the Joint Leadership's intent, as outlined in the Joint Programs letter, to fully utilize and support the principles of programs mutually developed to enhance product quality through employee participation, the following Toledo Assembly Complex PQI-SQDCM Coordinator Roles were developed:

- Solicit and follow up IQP's as assigned to their respective Centers with weekly IQP meetings.
- Maintain PDCA's, convert IQP's, and place on Master IQP list.
- Write success stories as required.
- Attend team huddles.
- Lead/Mentor SQDCM measurements and communications.
- Attend weekly PQI, FTC, MQAS, SAFETY/ERGO, ISD meetings.
- Facilitate workshops within the Centers as required.
- Maintain meeting minutes for internal Center SQDCM (PQI, FTC, Safety/Ergo).
- Work cross-functionally with support departments within the complex on SQDCM initiatives (finance, training, human resources, etc.)
- Work schedules set-up by Center Manager/Committeeman.

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- Attend weekly plant PQI meeting with PQI Core Team to report activities and seek any support needed.

The PQI Core team will report out at LEPC the activities and progress to ensure the effectiveness of the program. The Core Team's critical success factors were identified to clarify roles and responsibilities and to confirm they are afforded the opportunity to maximize their value to the plant. In order to remain competitive, the roles and responsibilities listed above are subject to change as dictated by changing conditions in a global automotive marketplace.

As the above roles are implemented, additional hours may be scheduled to meet production needs, including overtime as applicable.

Sincerely,
Thomas G. Maxon
Senior Manager – Human Resources
Toledo Assembly Plant

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